CITY OF DESOTO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Prepared by the

FINANCIAL SERVICES DEPARTMENT

CITY MANAGER
Majed Al-Ghafry

MANAGING DIRECTOR OF FINANCIAL SERVICES
Tracy L. Cormier

ASSISTANT DIRECTOR OF FINANCE
Lakeita Sutton

CITY COUNCIL
Rachel Proctor, Mayor

Pierette Parker, Council Member
Nicole Raphiel, Council Member
André Byrd, Council Member
Dinah Marks, Council Member
Crystal Chism, Council Member
Letitia Hughes, Mayor Pro Tem

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

CITY OF DESOTO, TEXAS

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

Prepared by:
Financial Services Department

CITY OF DESOTO, TEXAS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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INTRODUCTORY SECTION

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March 27, 2025

To the Citizens of the
City of DeSoto, Texas

In accordance with State Law, municipalities are required to publish a complete set of audited financial statements with an opinion. Accordingly, these documents must be submitted within six (6) months after the end of any given fiscal year (FY). This detailed report fulfills that requirement for the FY ended Saturday, September 30, 2024.

Management assumes full responsibility for the completeness and reliability of information contained within this report, which is based upon a comprehensive framework of internal controls that were established for this purpose. The costs associated with implementing these internal controls should not exceed its anticipated benefits. In particular, the overall objective is to provide a reader with reasonable and not absolute assurance that all financial statements are free of material misstatements.

At the conclusion of the FY that ended on Saturday, September 30, 2024, Forvis Mazars, LLP, Certified Public Accountants issued the City of DeSoto unmodified ("clean") opinions. This independent auditor's report can be found at the front of the financial section of this document.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report that includes a narrative introduction, overview, and an analysis of basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with the entire document to ensure complete understanding.

Profile

Located in the Best Southwest region of Dallas County, the City of DeSoto is in close proximity to downtown Dallas and has a total area that covers 21.6 square miles. In 2024, it was estimated that the City of DeSoto had 57,102 residents. This growing community has access to three (3) major thoroughfares, 1-35 (eastern border), Highway 67 (western border) and 1-20 (northern border).

As a political subdivision and municipal corporation of the State, the City of DeSoto adopted a home rule charter that serves as its governing document regarding local issues. This enabled the residents to establish a Council/Manager form of government. The policy-making body is comprised of six (6) Council members and a Mayor. These elected officials enact local legislation and adopt annual budgets. They are also responsible for appointing the City Secretary, City Attorney, City Manager and Judge.

The City Manager serves as the Chief Administrative Officer and is responsible for managing all municipal operations. Major services provided under general government and enterprise functions are: public safety (police and fire), street maintenance, water and sewer service, parks and recreation, library, and general administrative services.

Accounting System and Budgetary Control

The financial accounting system serves as a means to ensure that there are adequate internal controls. Internal controls provide a reasonable level of assurance with regard to safeguarding assets against loss from unauthorized use or disposition, as well as the reliability of financial records for preparing statements and asset accountability.

The accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable. Once services or goods are received and the liabilities have been incurred, expenditures are then recorded. Accounting records for enterprise activities are maintained on an accrual basis.

Government-wide financial statements are prepared using the accrual basis of accounting, as well as the economic resources measurement focus. In particular, these statements do not provide information by fund. It is separated by activities associated with governmental, business-type, discretely presented component units on statements for net assets and activities.

Budgetary Controls - During the preliminary budget process, proposed revenues and expenditures for each department are thoroughly analyzed by two departments: Financial Services and Administration. At the conclusion of these departmental reviews, management provides City Council with a copy of the final documents. In accordance with the City Charter, the City Council must adopt a budget ten (10) days in advance of a new fiscal year.

The overall objective for having these budgetary controls is to ensure compliance with legal provIsIons. Activities of the general fund (GF), water and sewer fund, and all other funds are included in the annual budget. The level of budgetary controls (the level that expenditures cannot legally exceed its appropriated amounts) is established by departments within its individual fund. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the City Council.

Relevant Financial Policies

By policy, the annually adopted FY budget must be balanced, with appropriate fund reserves. At the close of FY 2024, the GF fund balance of $41,366,595 (approximately 76% of annual operating expenditures) exceeded the minimum reserve requirement of 25%.

Every FY, the City utilizes its long-range planning policy to project future revenues and expenditures. This process enables the City to identify potential deficits and opportunities for financial growth over a two (2) year period. For illustration purposes, the FY2025 planning and FY2024 budgets were prepared in collaboration with one another.

The investment policy was established to minimize credit and market risks. It is updated and reauthorized on an annual basis by the City Council in compliance with the Texas Public Funds Investment Act.

The investment policy was established with objectives consistent with state and local laws. Investments follow the hierarchy to preserve capital, safety of principal and security of invested funds; maintenance of sufficient liquidity to meet operating goals; diversification of investments to avoid unreasonable or avoidable risks; insurance of public trust; and optimization of return on the portfolio.

Cash management is the process of managing currency in order to ensure maximum availability and optimum yield on short-term investments of idle funds. An aggressive cash management program that is consistent with this Investment Policy will provide investment interest as revenue for all operating and capital funds. The portfolio is designed and managed in a manner responsive to the public trust. Earnings from investments are used in a manner that best serves the City.

Local Economy

Major businesses within the municipal limits of DeSoto include distribution, retail, healthcare, grocery, manufacturing, transportation and e-commerce. Desoto's large businesses(> 100 employees) employ over 5,000 people. Civilian employment was estimated at approximately 28,200. The unemployment rate as of September 2024 was 5.2%, slightly above the overall 3.5% rate for the entire Metroplex.

DeSoto benefits from being located twelve (12) miles south of Dallas and is accessible from several major transportation thoroughfares. This prime location serves as a gateway to job opportunities in Dallas, Fort Worth and the Mid-Cities. Its estimated population of 57,102 has grown by a notable 11% since 2014. During those same years, the overall taxable assessed valuation increased by 143%.

Long-term Financial Planning

Historically, the City has maintained fiscally responsible general fund balances. As a proactive measure, the budget is continuously analyzed to ensure that both revenues and expenditures are tracking as expected, with adjustments made as necessary. Thus, required fund reserves are not used for ongoing operational expenses.

Because of the City's proximity to Interstate 35 East and Interstate 20, businesses are recognizing DeSoto as one of the region's hot spots for growth. The City is committed to supporting new and expanding companies by creatively customizing incentive packages that are based upon individual business needs.

The City also has more than 400 acres of land that are available for industrial and commercial development. These parcels are located within the DeSoto Eagle Industrial and Business Park. The Hillwood Crossroads Trade Center, which is located in the Industrial Park, offers 1.8 million square feet of build-to-suit distribution or light industrial space for lease at Centre Park Blvd and Interstate 35 East.

Major Initiatives

The 2023-2024 fiscal year includes initiatives such as:

- Maintain the current level of public services provided by all municipal departments
- Increase the value of commercial, as well as residential assets through new development and redevelopment
- Develop a regional economic development vehicle to attract major employers to the Best Southwest region
- Continue to pursue Family style restaurants and new retail
- Continue to review and update the Master Comprehensive Plan
- Develop Hampton Road Corridor

Awards and Acknowledgments

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in financial reporting for the FY that ended September 30, 2023. This is a prestigious national award that recognizes conformance with the highest standards for preparing State and Local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental entity must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR) that conforms to program standards. An ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

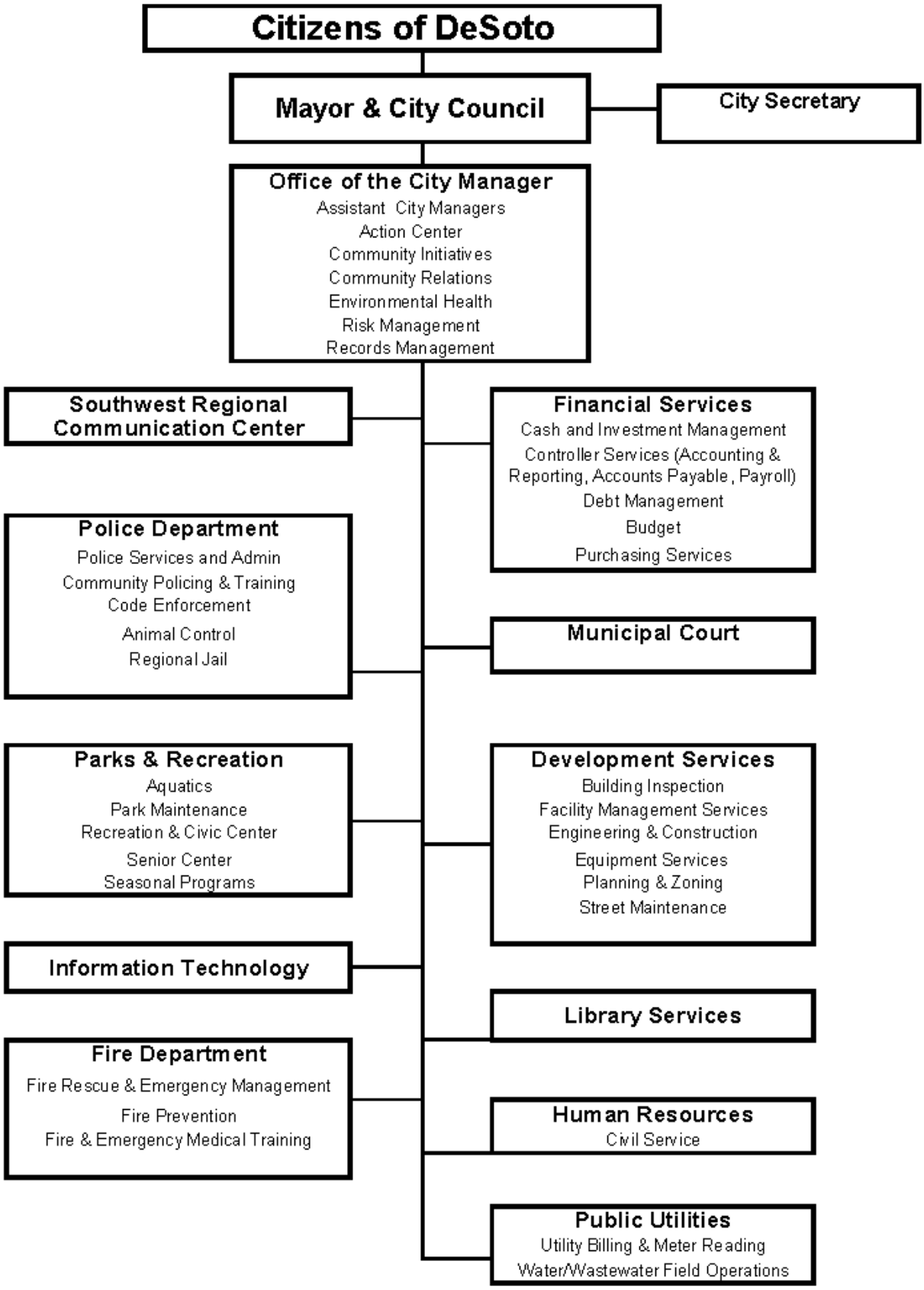
A Certificate of Achievement is only valid for one year. Over the past 20 plus FYs, DeSoto has received this prestigious award each year through fiscal year 2023. We believe this report also conforms to program requirements for the Certificate of Achievement and will submit it to GFOA to determine its eligibility for the Certificate of Achievement.

This report could not have been published without the tireless dedication and diligence of staff. Most importantly, our staff would like to commend both the Mayor and City Council for their unwavering contributions throughout the entire financial reporting process.

Respectfully,

Majed Al-Ghafry
City Manager

Tracy Cormier
Managing Director of Financial Services


Citizens of DeSoto
Mayor & City Council
City Secretary
Office of the City Manager
Assistant City Managers
Action Center
Community Initiatives
Community Relations
Environmental Health
Risk Management
Records Management
Southwest Regional Communication Center
Financial Services
Cash and Investment Management
Controller Services (Accounting & Reporting, Accounts Payable, Payroll)
Debt Management
Budget
Purchasing Services
Police Department
Police Services and Admin
Community Policing & Training
Code Enforcement
Animal Control
Regional Jail
Municipal Court
Parks & Recreation
Aquatics
Park Maintenance
Recreation & Civic Center
Senior Center
Seasonal Programs
Development Services
Building Inspection
Facility Management Services
Engineering & Construction
Equipment Services
Planning & Zoning
Street Maintenance
Information Technology
Library Services
Fire Department
Fire Rescue & Emergency Management
Fire Prevention
Fire & Emergency Medical Training
Human Resources
Civil Service
Public Utilities
Utility Billing & Meter Reading
Water/Wastewater Field Operations

City Officials
City Council

Rachel Proctor
Mayor
Place One

Pierette Parker
Place Two

Andre' Byrd
Place Four

Crystal Chism
Place Six

Nicole Raphiel
Place Three

Dinah Marks
Place Five

Letitia Hughes
Mayor Pro Tem
Place Seven

Joe Gorfida
City Attorney

City Management

Majed Al-Ghafry
City Manager

Vacant
Deputy City Manager

Tamara Bell
Managing Director
Southwest Regional Communication Center (SWRCC)

Joseph Costa
Police Chief
Police Department

Tom Figert
Managing Director
Information Technology

Charles Brewer
Managing Director
Development Services

Scott Kurth
Judge
DeSoto Municipal

Alicia Thomas
City Secretary

Tracy L. Cormier
Managing Director of Financial Services

Brandon Lacy
Managing Director
Public Utilities

Bryan Southard
Fire Chief
Fire and EMS Department

Chris Glover
Managing Director
Parks & Recreation

Lakeita Sutton
Assistant Director
Financial Services

Heather McEntee
Managing Director
Library Services

Denae Greenly
Managing Director
Human Resources

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of DeSoto
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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forvismazars.us

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of DeSoto, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of DeSoto, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
March 27, 2025

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MANAGEMENT'S
DISCUSSION AND ANALYSIS

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Management's Discussion And Analysis

As management of the City of DeSoto (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report, and the financial statements which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the 2024 fiscal year by $253,601,319 (net position). Of this amount, $72,073,792 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- As of the close of fiscal year 2024, the City's governmental funds reported combined ending fund balances of $137,928,215, a increase of $46,026,111 from the prior year. Approximately 35% of this total amount is unassigned fund balance. Fund balances increased primarily due to the issuance of debt in the Street Improvement and Park Improvement Fund.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $48,538,086 or 83% of total General Fund expenditures.

- The City's total capital assets net of accumulated depreciation increased by $5,831,108. The increase is due to the continued purchases and construction of capital assets, net of depreciation.

- The City's governmental and business-type activities long-term debt increased $40,894,118 to a total outstanding amount of $147,462,746.

Overview Of The Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information in order to present how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will only result in changes in cash flows for future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business- type activities). The governmental activities of the City include general government, public safety, development services, financial services, municipal court parks and recreation, library services, human resources, and information technology. The business-type activities of the City include public utilities, drainage systems, and sanitation operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also include the DeSoto Health Facilities Development Corporation, the DeSoto Housing Finance Corporation and the DeSoto Industrial Development Authority, Inc., which are legally separate but financially accountable to the City. A blended presentation has been used to report the financial information of these component units. That means that the component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government. Additionally, the government-wide financial statements include the DeSoto Development Corporation as part of its reporting entity as discretely presented component unit. Discrete presentation entails reporting component unit financial data in a column separate from the financial data of the primary government. The DeSoto Development Corporation is a legally separate entity.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The fund financial statements for governmental funds and proprietary funds can be found in the financial section of this report.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 22 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Street Improvement Fund, Park Improvement Fund, and ARPA Grant Fund, which are considered to be major funds. Data from the other 17 governmental funds are combined into a single aggregate presentation.

The City adopts an annual appropriated budget for its general fund. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual is provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its public utility, drainage and sanitation operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for public utility, drainage and sanitation, all of which are considered to be major funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension and OPEB liabilities. Required supplementary information immediately follows the notes to the financial statements.

Combining statements and budgetary comparison schedules for non-major governmental funds and component unit fund financial statements follow the section on required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2024, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $253,601,319.

The largest portion of the City's net position (63%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $72,073,792 may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2024, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities.

City of Desoto's Net Position
Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Current and other assets	$ 153,741,002	$ 106,530,960	$ 54,897,648	$ 46,965,223	$ 208,638,650	$ 153,496,183
Long-term assets	154,978,232	151,178,636	65,534,069	63,502,557	220,512,301	214,681,193
Total assets	308,719,234	257,709,596	120,431,717	110,467,780	429,150,951	368,177,376
Deferred outflows of resources	8,400,153	12,311,836	1,100,293	1,508,802	9,500,446	13,820,638
Total outflows of resources	8,400,153	12,311,836	1,100,293	1,508,802	9,500,446	13,820,638
Current and other liabilities	13,029,217	12,429,884	4,314,216	5,569,975	17,343,433	17,999,859
Long-term liabilities	127,724,710	98,322,736	38,917,610	31,485,885	166,642,320	129,808,621
Total liabilities	140,753,927	110,752,620	43,231,826	37,055,860	183,985,753	147,808,480
Deferred inflows of resources	985,852	710,587	78,473	46,280	1,064,325	756,867
Total inflows of resources	985,852	710,587	78,473	46,280	1,064,325	756,867
Net position:						
Net investment in capital assets	104,858,032	98,830,387	54,496,790	36,264,869	159,354,822	135,095,256
Restricted	20,373,644	10,917,325	1,799,061	697,958	22,172,705	11,615,283
Unrestricted	50,147,932	48,810,513	21,925,860	37,911,615	72,073,792	86,722,128
Total net position	$ 175,379,608	$ 158,558,225	$ 78,221,711	$ 74,874,442	$ 253,601,319	$ 233,432,667

Governmental activities

Net position increased by $16,821,383 in fiscal year 2024 compared to a decrease of $5,255,546 in fiscal year 2023. During the current year, there were increases in property taxes and grant revenues. These property tax revenues have continued to increase as the City, and Dallas County as a whole, experience steady population growth and new development.

Governmental activities expenses increased largely in the area of general government and public safety and development services. The increases to general government and public safety expenses related to a generally larger workforce in those departments and the personal increases that accompany current pay and performance model.

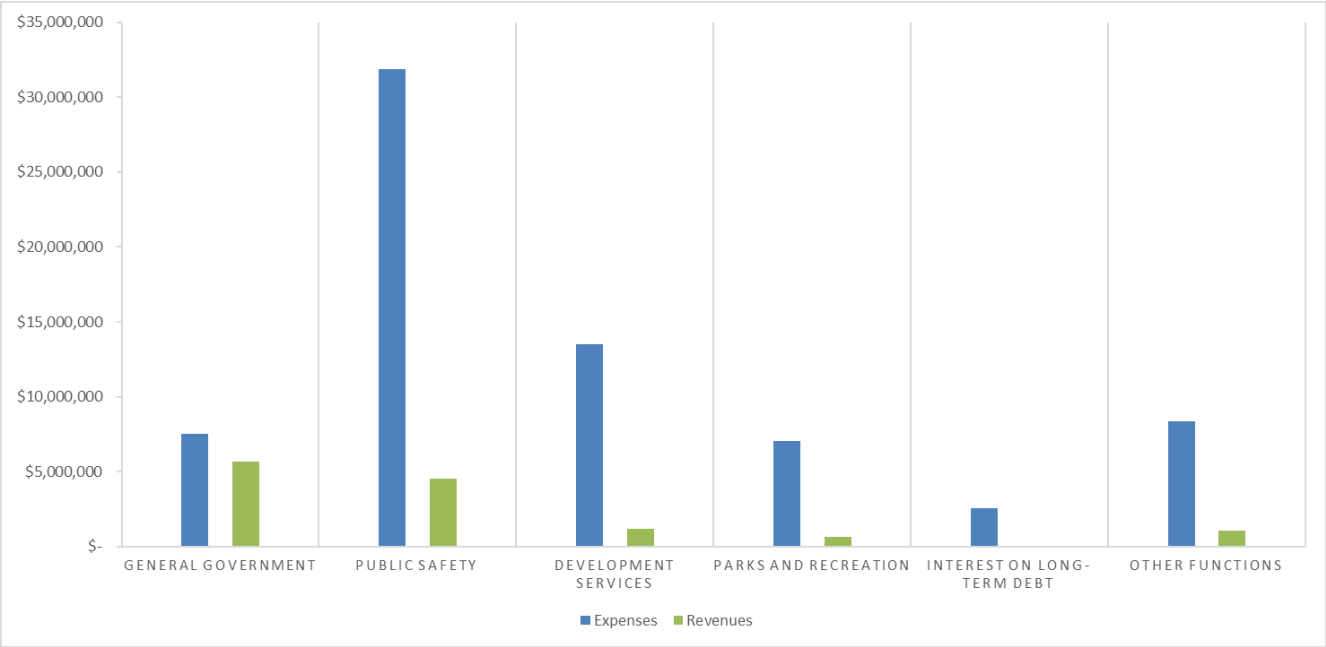
Business-type activities

Net position increased by $3,347,269 in the current year compared to an increase of $266,746 in fiscal year 2023. The increase in net position due to the changes in revenue related to charges for services stemming from the population growth. Increases to expenses related primarily to payroll costs as the City works to continue offering competitive wages.

City of Desoto's Changes in Net Position
Government-Wide

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 7,548,740	$ 7,788,400	$ 35,429,665	$ 33,927,190	$ 42,978,405	$ 41,715,590
Operating grants & contributions	5,314,254	3,458,994	-	-	5,314,254	3,458,994
Capital grants & contributions	744,953	-	848,814	858,654	1,593,767	858,654
General revenues:						
Property taxes	48,642,710	40,315,883	-	-	48,642,710	40,315,883
Other local taxes	16,292,282	16,099,849	-	-	16,292,282	16,099,849
Grants not restricted to specific programs	2,390,599	-				
Investment earnings	5,466,691	4,428,903	1,844,949	1,807,968	7,311,640	6,236,871
Gain on sale of capital assets	52,290	-	-	-	52,290	-
Miscellaneous	441,089	648,362	729,371	18,895	1,170,460	667,257
Total revenues	86,893,608	72,740,391	38,852,799	36,612,707	123,355,808	109,353,098
Expenses:						
General government	7,765,152	5,635,840	-	-	7,765,152	5,635,840
Public safety	31,826,615	29,593,314	-	-	31,826,615	29,593,314
Development services	15,225,897	15,008,241	-	-	15,225,897	15,008,241
Financial services	1,706,774	2,463,938	-	-	1,706,774	2,463,938
Municipal court	990,075	1,439,864	-	-	990,075	1,439,864
Information technology	2,871,578	2,845,173	-	-	2,871,578	2,845,173
Human resources	1,102,012	962,097	-	-	1,102,012	962,097
Parks and recreation	7,039,700	6,366,092	-	-	7,039,700	6,366,092
Library services	1,680,185	1,515,818	-	-	1,680,185	1,515,818
Interest on long-term debt	2,569,045	2,082,307	-	-	2,569,045	2,082,307
Public utility	-	-	24,990,511	26,381,843	24,990,511	26,381,843
Storm drainage	-	-	985,578	1,222,775	985,578	1,222,775
Sanitation	-	-	6,824,633	6,211,535	6,824,633	6,211,535
Total expenses	72,777,033	67,912,684	32,800,722	33,816,153	105,577,755	101,728,837
Revenues in Excess of Expenses	14,116,575	4,827,707	6,052,077	2,796,554	17,778,053	7,624,261
Transfers	2,704,808	2,529,808	(2,704,808)	(2,529,808)	-	-
Change in net position	16,821,383	7,357,515	3,347,269	266,746	20,168,652	7,624,261
Net position - beginning of year	158,558,225	151,200,710	74,874,442	74,607,696	233,432,667	225,808,406
Net position - end of year	$ 175,379,608	$ 158,558,225	$ 78,221,711	$ 74,874,442	$ 253,601,319	$ 233,432,667

The following table provides a summary of the operations of governmental activities for the year ended September 30, 2024. Overall, the City had an increase in net position of $20,168,652. Overall revenues and expenses increased over the prior year.



Financial Analysis Of The Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds*.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

At the end of the 2024 fiscal year, the City's governmental funds reported combined ending fund balances of $137,928,215, an increase of $46,026,111 from the prior year. Approximately 35% of this total amount is available for spending at the City's discretion. A portion of the remaining fund balance in the amount of $84,291,560 is not available for new spending because it is restricted to pay for 1) street improvements and capital projects 2) debt service 3) public safety grants and 4) economic development projects.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $48,538,086, while the total fund balance was $49,035,893. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total expenditures. Unassigned fund balance represents 83% of the general fund expenditures.

The final general fund budget for fiscal year 2024 reflected a decrease of $2,042,164 in fund balance. The actual change in fund balance was an increase of $7,669,298. Contributing factors was the realization of revenues $4,596,435 over the budgeted amounts. Key factors affecting fund balance are as follows:

- Total actual General Fund revenues of $60,967,404 increased from FY2023 actuals by $6,522,730 and were greater than budgeted FY2024 by $4,383,045. This was primarily caused by increases to sales taxes, charges for services, and investment earnings.

The actual revenues of $60,967,404 were more than the budgeted revenues by $4,596,435. Sales taxes, fines and forfeitures, licenses and permits, intergovernmental revenue, investment earnings, charges for services, recreation services, and miscellaneous revenue exceeded the budgeted amount.

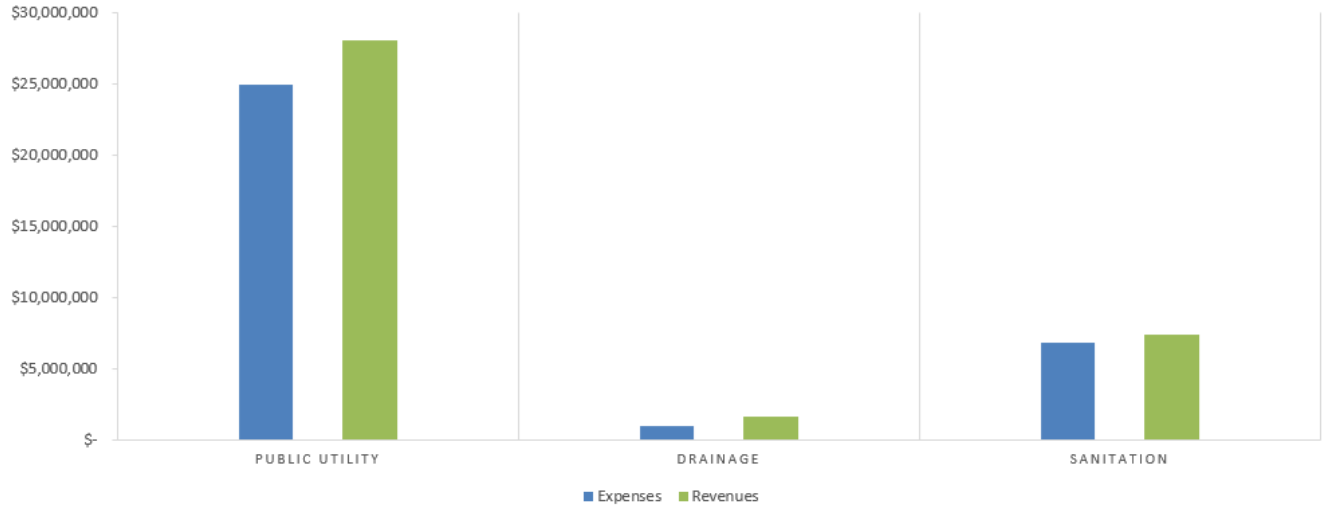
Original budget compared to final budget. During the year, there was no need for any significant amendments to increase the original estimated revenues in the General Fund. However, there was a need to make an amendment to original budgeted appropriations for the capital outlay function for planned project costs.

Debt service fund balance increased by $828,842 due to revenues exceeding debt service payments. Fund balances may fluctuate in the future as management continues to evaluate the amount of debt service property taxes needed to fund the City's debt service.

The fund balance of the Street Improvement fund increased by $13,089,668 due to the issuances of bonds for capital projects. Fund balance will decrease in future years as these funds are spent down.

The Park Improvement Fund increased its fund balance by $21,040,291, primarily due to the issuance of bonds for capital projects. Fund balance will decrease in future years as these funds are spent down.

The ARPA Grant Fund, ended with $259,997 of fund balances. The fund was used to record the $3.6 million of American Rescue Plan Act grant funding received from the Federal government. The proceeds were recorded as unearned revenue and will be recognized in future years as project costs are incurred.



Proprietary Funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the respective proprietary funds are Public Utility - $61,585,751, Storm Drainage - $14,505,585, and Sanitation - $2,130,375. The net position for the Public Utility fund increased $1,804,524; Storm Drainage increased $881,291 and Sanitation increased $661,454. The overall change in net position for business-type activities was an increase of $3,347,269. Public Utility Fund revenues increased with a sewer service base rate and volume charge increase. The largest increase was experienced with sanitation revenue, for which the average monthly collection rate was increased by approximately 7%. Overall Proprietary Funds operating revenues of $35,429,665 reflected an increase of $1,842,426 or approximately 5% compared to the prior year. Proprietary Funds operating expenses of $31,978,739 reflected an decrease of $1,063,451 or approximately 3% from prior year. As discussed previously, the increase in expenses is related primarily to salary increases.

Capital Assets And Debt Administration

Capital Assets

At the end of fiscal year 2024, the City had $220.5 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, and water and sewer lines. This amount represents a net increase of from the prior fiscal year.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 9,835,670	$ 9,835,670	$ 1,244,443	$ 1,244,443	$ 11,080,113	$ 11,080,113
Construction in progress	23,904,769	20,441,298	12,568,814	10,091,286	36,473,583	30,532,584
Street / Alley ROW	14,072,949	14,072,949	-	-	14,072,949	14,072,949
Buildings	27,537,902	28,936,851	-	-	27,537,902	28,936,851
Infrastructure	78,511,155	76,995,129	50,961,690	51,653,296	129,472,845	128,648,425
Equipment and furniture	616,287	-	759,122	513,532	1,375,409	513,532
Subscription asset	499,500	896,739	-	-	499,500	896,739
	$ 154,978,232	$ 151,178,636	$ 65,534,069	$ 63,502,557	$ 220,512,301	$ 214,681,193

Major capital asset events during the 2024 fiscal year include the following:

- Construction on bond-funded projects in the governmental activities amounted to $13.4 million. This included city street repairs and expansions, park playground equipment, and architectural design of the Aquatic Recreation Center.

- Construction and replacement of water and sewer infrastructure incurred approximately $5.8 million in the business-type activities using bond funds.

- Purchases of motor vehicles for city use, particularly Police Department units, Emergency vehicles, and Design/Construction at the Aquatics and Recreation Center in the amount of $6.0 million.

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Debt Administration

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 20,245,000	$ 25,195,000	$ 6,355,000	$ 7,420,000	$ 26,600,000	$ 32,615,000
Certificates of obligation	79,814,947	43,058,947	27,650,053	18,981,053	107,465,000	62,040,000
Bond premium	9,256,111	7,562,141	3,448,105	3,070,815	12,704,216	10,632,956
Financed purchase	194,030	383,933	-	-	194,030	383,933
Subscription liability	499,500	896,739	-	-	499,500	896,739
Compensated absences	6,082,700	5,856,075	332,826	517,416	6,415,526	6,373,491
	$ 116,092,288	$ 82,952,835	$ 37,785,984	$ 29,989,284	$ 153,878,272	$ 112,942,119

Overall debt decrease in the current year primarily related to the City making debt service payments.

The City has an AA rating from Fitch and an AA rating from Standard & Poor's. Additional information on the City's long-term debt can be found in Note 5 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The two major financing sources for general government operations: Property Tax and Sales Tax are the major areas of focus. In the coming year, an increase in general government property tax revenue is estimated due to the City's increase in assessed valuation for Tax Year 2024. The City's tax rate was reduced by $.000158 cents for FY25 and for the thirteenth (14) year in a row with no tax rate increase. The FY2025 budget was adopted with total tax rate of $.684934 per $100 valuation and an Operation & Maintenance tax rate of $0.503934 and Interest and sinking tax rate of $0.181000.

Sales Tax is the second largest revenue source. In FY2024, retail and industry taxable sales were greater than FY2023. Sales tax exceeded general fund budget by approximately 8.72%; with overall revenue 4.07% higher than FY2023. The budget estimates for Franchise Fees for FY2024 actuals were more than the prior year and did meet budget expectations. Charges for services increased and were over the current year budgeted revenues by $636,342 mostly due to ambulance service charge. Because this category of revenue collections can span a number of fiscal years it will be budgeted conservatively in FY2025. Overall, budgeted revenue in the General Fund for FY2024 increased by approximately $2,618,194 which represents the increase in property tax revenue based on an increase in taxable values.

The fiscal year 2025 budget provides funding for all aspects of our service delivery. This spending plan meets the objective of maintaining the current level of services.

Because the City is a service organization, a major portion of the operating budget is allocated to employee compensation and fringe benefits. Maintaining these items at the current market rate requires that new resources be allocated annually. The increases in salary will reflect a 2.0 cost of living increase for employees and also a merit increase for eligible employees.

In addition to salary adjustments, in the past, we have experienced a decrease in the Texas Municipal Retirement System ("TMRS") contribution rates. It is important to note that in fiscal year 2025 we will continue participation in TMRS, and the City's match will remain 2:1. The 2025 TMRS actuarial rate will be 12.43%, which is an increase from 11.66% the previous fiscal year. This allows us to continue in TMRS and meet the UAAL obligation over time. All other personnel related benefit programs remain at the level reflected in the fiscal year 2025 budget.

Requests For Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Finance Department, Attn: Finance Managing Director, 211 E. Pleasant Run Road, DeSoto, Texas 75115, or call (972) 230-9678, or email tcormier@desototexas.gov.

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BASIC
FINANCIAL STATEMENTS

CITY OF DESOTO, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	DeSoto Development Corporation
ASSETS				
Cash and investments	$ 142,877,016	$ 20,723,700	$ 163,600,716	$ 12,209,583
Receivables, net of allowances	7,556,909	5,660,222	13,217,131	633,061
Due from other governments	2,032,885	12,958	2,045,843	-
Due from primary government	-	-	-	70,641
Inventories	57,807	9,063	66,870	-
Prepaid items	3,003	-	3,003	-
Notes receivable	-	-	-	4,089
Restricted assets:				
Cash and investments	-	28,491,705	28,491,705	1,000,000
Investment in joint ventures	1,213,382	-	1,213,382	-
Capital assets:				
Non-depreciable	47,813,388	13,813,257	61,626,645	11,250
Depreciable, net	107,164,844	51,720,812	158,885,656	1,741,838
Total capital assets	154,978,232	65,534,069	220,512,301	1,753,088
Total assets	308,719,234	120,431,717	429,150,951	15,670,462
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension related	8,182,793	798,430	8,981,223	-
Deferred outflows - OPEB related	217,360	20,530	237,890	-
Deferred loss on refunding	-	281,333	281,333	-
Total deferred outflows of resources	8,400,153	1,100,293	9,500,446	-
LIABILITIES				
Accounts payable and accrued expenses	7,736,563	2,249,875	9,986,438	259,352
Accrued liabilities	2,481,273	129,526	2,610,799	23,606
Accrued interest payable	605,667	126,561	732,228	-
Customer deposits	50,000	1,808,254	1,858,254	20,804
Due to component unit	70,641	-	70,641	-
Unearned revenue	2,085,073	-	2,085,073	-
Noncurrent liabilities				
Due within one year	11,727,907	2,853,565	14,581,472	102,023
Due in more than one year	104,364,381	34,932,419	139,296,800	147,391
Net pension liability	10,543,208	1,028,748	11,571,956	-
Total OPEB liability	1,089,214	102,878	1,192,092	-
Total liabilities	140,753,927	43,231,826	183,985,753	553,176
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension related	445,699	43,489	489,188	-
Deferred inflows - OPEB related	370,401	34,984	405,385	-
Deferred gain on refunding	169,752	-	169,752	-
Total deferred inflows of resources	985,852	78,473	1,064,325	-
NET POSITION				
Net investment in capital assets	104,858,032	54,496,790	159,354,822	1,529,665
Restricted for:				
Debt service	5,211,784	-	5,211,784	-
Construction	-	1,799,061	1,799,061	-
Public safety	3,017,439	-	3,017,439	-
Economic development	6,302,011	-	6,302,011	-
Capital projects	5,842,410	-	5,842,410	-
Unrestricted	50,147,932	21,925,860	72,073,792	13,587,621
Total net position	$ 175,379,608	$ 78,221,711	$ 253,601,319	$ 15,117,286

The accompanying notes are an integral part of these financial statements.

CITY OF DESOTO, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Functions:				
Primary Government:				
Governmental Activities:				
General government	$ 7,765,152	$ 4,746,255	$ 947,403	$ -
Public safety	31,826,615	612,187	3,175,138	744,953
Developmental services	15,225,897	10,407	1,191,713	-
Financial services	1,706,774	-	-	-
Municipal court	990,075	1,543,802	-	-
Information technology	2,871,578	-	-	-
Human resources	1,102,012	-	-	-
Parks and recreation	7,039,700	634,831	-	-
Library services	1,680,185	1,258	-	-
Interest and fiscal charges	2,569,045	-	-	-
Total Governmental Activities	72,777,033	7,548,740	5,314,254	744,953
Business-type Activities:				
Public utility	24,990,511	26,434,496	-	848,814
Storm drainage	985,578	1,597,626	-	-
Sanitation	6,824,633	7,397,543	-	-
Total Business-type Activities	32,800,722	35,429,665	-	848,814
Total Primary Government	$ 105,577,755	$ 42,978,405	$ 5,314,254	$ 1,593,767
Component Unit:				
DeSoto Development Corporation	2,274,535	92,832	-	-
Total Component Unit	$ 2,274,535	$ 92,832	$ -	$ -
General Revenues:				
Taxes:				
Property taxes				
Special assessments				
Franchise and other taxes				
Sales taxes				
Hotel occupancy				
Grants not restricted to specific programs				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in net position				
Net position - beginning				
Net position - ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	DeSoto Development Corporation
$ (2,071,494)	$ -	$ (2,071,494)	$ -
(27,294,337)	-	(27,294,337)	-
(14,023,777)	-	(14,023,777)	-
(1,706,774)	-	(1,706,774)	-
553,727	-	553,727	-
(2,871,578)	-	(2,871,578)	-
(1,102,012)	-	(1,102,012)	-
(6,404,869)	-	(6,404,869)	-
(1,678,927)	-	(1,678,927)	-
(2,569,045)	-	(2,569,045)	-
(59,169,086)	-	(59,169,086)	-
-	2,292,799	2,292,799	-
-	612,048	612,048	-
-	572,910	572,910	-
-	3,477,757	3,477,757	-
$ (59,169,086)	$ 3,477,757	$ (55,691,329)	$ -
			(2,181,703)
			$ (2,181,703)
48,642,710	-	48,642,710	-
453,310	-	453,310	-
2,827,081	-	2,827,081	-
11,665,423	-	11,665,423	3,859,545
1,346,468	-	1,346,468	-
2,390,599	-	2,390,599	-
5,466,691	1,844,949	7,311,640	507,770
52,290	-	52,290	-
441,089	729,371	1,170,460	-
2,704,808	(2,704,808)	-	-
75,990,469	(130,488)	75,859,981	4,367,315
16,821,383	3,347,269	20,168,652	2,185,612
158,558,225	74,874,442	233,432,667	12,931,674
$ 175,379,608	$ 78,221,711	$ 253,601,319	$ 15,117,286

CITY OF DESOTO, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General	Debt Service Fund	Capital Projects: Street Improvement	Capital Projects: Park Improvement	Special Revenue: ARPA Grant Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	$ 44,485,314	$ 5,204,464	$ 39,389,465	$ 28,958,099	$ 2,516,397	$ 22,323,277	$ 142,877,016
Receivables, net:							
Taxes	2,291,355	152,908	-	-	-	115,843	2,560,106
Accounts and other	4,019,973	-	65,933	28,032	-	882,865	4,996,803
Due from other governments	1,465,259	-	-	-	-	567,626	2,032,885
Due from other funds	4,762,352	-	-	-	-	57,455	4,819,807
Inventories	57,807	-	-	-	-	-	57,807
Prepaid items	-	-	-	-	-	3,003	3,003
Total assets	$ 57,082,060	$ 5,357,372	$ 39,455,398	$ 28,986,131	$ 2,516,397	$ 23,950,069	$ 157,347,427
LIABILITIES							
Accounts payable	3,325,031	-	686,218	3,172,558	274,468	278,288	7,736,563
Accrued liabilities	2,437,709	-	-	-	-	43,564	2,481,273
Due to other funds	57,455	-	4,000,000	-	-	762,352	4,819,807
Due to component unit	70,641	-	-	-	-	-	70,641
Customer deposits	50,000	-	-	-	-	-	50,000
Unearned revenue	97,016	-	-	-	1,981,932	6,125	2,085,073
Total liabilities	6,037,852	-	4,686,218	3,172,558	2,256,400	1,090,329	17,243,357
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,008,315	145,588	-	-	-	21,952	2,175,855
Total deferred inflows of resources	2,008,315	145,588	-	-	-	21,952	2,175,855
FUND BALANCES							
Nonspendable for:							
Inventory	57,807	-	-	-	-	-	57,807
Prepaid items	-	-	-	-	-	3,003	3,003
Restricted for:							
Debt service	-	5,211,784	-	-	-	-	5,211,784
Street improvements	-	-	34,769,180	-	-	-	34,769,180
Public safety	-	-	-	-	-	3,017,439	3,017,439
Economic development	-	-	-	-	-	6,302,011	6,302,011
Capital projects	-	-	-	25,813,573	259,997	8,917,576	34,991,146
Committed for:							
Public health	-	-	-	-	-	91,919	91,919
Development activities	-	-	-	-	-	181,122	181,122
Assigned for:							
Capital projects	-	-	-	-	-	4,324,718	4,324,718
Future healthcare costs	440,000	-	-	-	-	-	440,000
Unassigned	48,538,086	-	-	-	-	-	48,538,086
Total fund balances	49,035,893	5,211,784	34,769,180	25,813,573	259,997	22,837,788	137,928,215
Total liabilities, deferred inflows of resources and fund balances	$ 57,082,060	$ 5,357,372	$ 39,455,398	$ 28,986,131	$ 2,516,397	$ 23,950,069	$ 157,347,427

The accompanying notes are an integral part of these financial statements.

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CITY OF DESOTO, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GEVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

Total Fund Balances - Governmental Funds	$ 137,928,215
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	154,978,232
Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	
Bonds and certificates of obligation payable	(100,059,947)
Finance purchase	(194,030)
Subscription liabilities	(499,500)
Compensated absences	(6,082,700)
Accrued interest payable	(605,667)
Unamortized premium on bonds	(9,256,111)
Unavailable revenues in the governmental fund statements is recognized as revenue in the government-wide financial statements.	2,175,855
Certain other long-term assets and liabilities are not available to pay current period expenditures or are not due and payable in the current period and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	
Investment in joint venture	1,213,382
Deferred gain on refunding	(169,752)
Net pension liability	(10,543,208)
Total OPEB liability	(1,089,214)
Deferred outflows of resources related to the net pension liability	8,182,793
Deferred outflows of resources related to the total OPEB liability	217,360
Deferred inflows of resources related to the net pension liability	(445,699)
Deferred inflows of resources related to the total OPEB liability	(370,401)
Net Position of Governmental Activities	$ 175,379,608

The accompanying notes are an integral part of these financial statements.

CITY OF DESOTO, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

			Capital Projects		Special Revenue		
	General Fund	Debt Service Fund	Street Improvement	Park Improvement	ARPA Grant Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 35,423,974	$ 12,578,213	$ -	$ -	$ -	$ 82,655	$ 48,084,842
Sales taxes	11,665,423	-	-	-	-	-	11,665,423
Franchise fees and other	2,827,081	-	-	-	-	-	2,827,081
Hotel occupancy tax	-	-	-	-	-	1,346,468	1,346,468
Property assessments	-	-	-	-	-	453,310	453,310
Fines and forfeitures	1,393,400	-	-	-	-	75,665	1,469,065
Licenses and permits	1,334,268	-	-	-	-	-	1,334,268
Intergovernmental	877,128	70,275	-	-	2,390,599	4,366,851	7,704,853
Charges for services	3,350,933	-	-	-	-	27,912	3,378,845
Investment earnings	2,755,699	307,701	1,247,767	286,310	177,247	691,967	5,466,691
Recreation services	1,071,250	-	-	-	-	-	1,071,250
Impact fees	-	-	744,953	-	-	-	744,953
Miscellaneous	268,248	1,488	985	-	-	25,803	296,524
Total revenues	60,967,404	12,957,677	1,993,705	286,310	2,567,846	7,070,631	85,843,573
EXPENDITURES							
Current:							
General government	4,808,624	-	-	-	692,213	1,081,478	6,582,315
Public safety:							
Police	16,209,955	-	-	-	-	2,289,446	18,499,401
Fire	12,119,993	-	-	-	-	-	12,119,993
Development services	8,768,252	-	26,106	-	-	335,122	9,129,480
Financial services	1,680,037	-	-	-	-	-	1,680,037
Municipal court	912,613	-	-	-	-	77,462	990,075
Information technology	2,304,767	-	-	-	-	-	2,304,767
Human resources	1,102,012	-	-	-	-	-	1,102,012
Parks and recreation	5,719,735	-	-	162,596	-	-	5,882,331
Library services	1,646,093	-	-	-	-	-	1,646,093
Debt service:							
Principal	397,239	9,499,903	-	-	-	-	9,897,142
Interest and other	56,060	2,834,596	121,576	227,813	-	-	3,240,045
Capital outlay	2,938,725	-	2,571,908	6,085,220	1,698,386	91,358	13,385,597
Total expenditures	58,664,105	12,334,499	2,719,590	6,475,629	2,390,599	3,874,866	86,459,288
Excess (deficiency) of revenues over expenditures	2,303,299	623,178	(725,885)	(6,189,319)	177,247	3,195,765	(615,715)
OTHER FINANCING SOURCES (USES)							
Proceeds from issuance of debt	2,695,000	-	12,962,700	25,458,300	-	-	41,116,000
Premium on issuance of debt	-	-	852,853	1,771,310	-	-	2,624,163
Proceeds from sale of capital assets	52,290	-	-	-	-	-	52,290
Insurance recoveries	144,565	-	-	-	-	-	144,565
Transfers in	2,756,108	231,964	-	-	-	50,000	3,038,072
Transfers out	(281,964)	(26,300)	-	-	-	(25,000)	(333,264)
Total other financing sources (uses)	5,365,999	205,664	13,815,553	27,229,610	-	25,000	46,641,826
NET CHANGE IN FUND BALANCES	7,669,298	828,842	13,089,668	21,040,291	177,247	3,220,765	46,026,111
FUND BALANCES - BEGINNING	41,366,595	4,382,942	21,679,512	4,773,282	82,750	19,617,023	91,902,104
FUND BALANCES - ENDING	$ 49,035,893	$ 5,211,784	$ 34,769,180	$ 25,813,573	$ 259,997	$ 22,837,788	$ 137,928,215

The accompanying notes are an integral part of these financial statements.

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CITY OF DESOTO, TEXAS

RECONCILIATION OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Net Changes in Fund Balances - Governmental Funds	$	46,026,111
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Capital outlay		13,385,597
Depreciation expense		(9,586,001)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		
Unavailable charges for services		10,407
Unavailable tax and emergency management revenues		690,172
Unavailable court fines and fees		152,601
Change in equity interest of joint venture		(4,514)
Governmental funds report proceeds from long-term debt as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of long-term debt principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		
Debt service principal		9,897,142
Issuance of bonds		(37,716,000)
Issuance of tax notes		(3,400,000)
Premium on issuance of debt		(2,624,163)
Pension and OPEB contributions are treated as expenditures in the fund based financial statements, but are treated as reductions in the City's net pension and OPEB liability in the statement of net position. This amount is the difference between pension and OPEB contributions and net pension and OPEB expense (revenue) for the current fiscal year.		
Pension expense		(497,200)
OPEB expense (revenue)		42,856
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
(Increase) decrease in accrued interest		(264,068)
(Increase) decrease in compensated absences		(226,625)
Amortization of premium on bonds		930,193
Amortization of deferred loss on refunding		(45,962)
Amortization of deferred gain on refunding		50,837
Change in Net Position of Governmental Activities	$	16,821,383

The accompanying notes are an integral part of these financial statements.

CITY OF DESOTO, TEXAS

STATEMENT OF NET POSITON - PROPRIETARY FUNDS

September 30, 2024

	Business-Type Activities - Enterprise Funds			
	Public Utility	Drainage	Sanitation	Total
ASSETS				
Current assets:				
Cash and investments	$ 13,151,265	$ 6,052,237	$ 1,520,198	$ 20,723,700
Accounts receivable, net	4,637,706	196,389	826,127	5,660,222
Due from other governments	-	12,958	-	12,958
Inventories	9,063	-	-	9,063
Total current assets	17,798,034	6,261,584	2,346,325	26,405,943
Noncurrent assets:				
Restricted cash and investments	28,491,570	-	135	28,491,705
Capital assets:				
Land	583,160	341,196	320,087	1,244,443
Construction in progress	10,747,536	1,821,278	-	12,568,814
Improvements	12,755,282	5,002,363	548,503	18,306,148
Water and sewer systems	101,616,377	-	-	101,616,377
Drainage systems	-	14,378,404	-	14,378,404
Equipment and furniture	2,281,163	105,896	408,685	2,795,744
Less: accumulated depreciation	(72,119,590)	(12,640,173)	(616,098)	(85,375,861)
Total noncurrent assets	84,355,498	9,008,964	661,312	94,025,774
Total assets	102,153,532	15,270,548	3,007,637	120,431,717
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension related	624,194	67,359	106,877	798,430
Deferred outflows - OPEB related	20,530	-	-	20,530
Deferred loss on refunding	281,333	-	-	281,333
Total deferred outflows of resources	926,057	67,359	106,877	1,100,293
LIABILITIES				
Current liabilities:				
Accounts payable	1,180,874	285,848	783,153	2,249,875
Accrued liabilities	96,794	6,013	26,719	129,526
Accrued interest	124,624	1,937	-	126,561
Customer deposits	1,808,119	-	135	1,808,254
Compensated absences	47,215	13,229	6,121	66,565
Bonds payable	2,652,000	135,000	-	2,787,000
Total current liabilities	5,909,626	442,027	816,128	7,167,781
Noncurrent liabilities:				
Compensated absences	188,860	52,918	24,483	266,261
Bonds payable, net	34,419,240	246,918	-	34,666,158
Net pension liability	804,251	86,790	137,707	1,028,748
Total OPEB liability	102,878	-	-	102,878
Total noncurrent liabilities	35,515,229	386,626	162,190	36,064,045
Total liabilities	41,424,855	828,653	978,318	43,231,826
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	33,999	3,669	5,821	43,489
Deferred inflows - OPEB	34,984	-	-	34,984
Total deferred inflows of resources	68,983	3,669	5,821	78,473
NET POSITION				
Net investment in capital assets	45,395,771	8,439,842	661,177	54,496,790
Restricted for construction	1,799,061	-	-	1,799,061
Unrestricted	14,390,919	6,065,743	1,469,198	21,925,860
Total net position	$ 61,585,751	$ 14,505,585	$ 2,130,375	$ 78,221,711

The accompanying notes are an integral part of these financial statements.

CITY OF DESOTO, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			
	Public Utility	Drainage	Sanitation	Total
OPERATING REVENUES				
Charges for services	$ 26,434,496	$ 1,597,626	$ 7,397,543	$ 35,429,665
Total operating revenues	26,434,496	1,597,626	7,397,543	35,429,665
OPERATING EXPENSES				
Personnel costs	2,557,173	238,917	553,700	3,349,790
Water supply	7,071,594	-	-	7,071,594
Wastewater treatment	8,272,916	-	-	8,272,916
Refuse collection	-	-	5,280,417	5,280,417
Administrative charges	1,356,063	102,673	534,235	1,992,971
Contractual services	271,963	7,476	257,143	536,582
Repairs and maintenance	935,828	-	26,332	962,160
Materials and supplies	250,819	3,427	25,837	280,083
Other	381,964	-	75,997	457,961
Depreciation	3,072,092	631,201	70,972	3,774,265
Total operating expenses	24,170,412	983,694	6,824,633	31,978,739
Operating Income	2,264,084	613,932	572,910	3,450,926
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,523,162	269,243	52,544	1,844,949
Miscellaneous revenue	693,371	-	36,000	729,371
Interest expense	(820,099)	(1,884)	-	(821,983)
Total nonoperating revenues (expenses)	1,396,434	267,359	88,544	1,752,337
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	3,660,518	881,291	661,454	5,203,263
Capital contributions - impact fees	848,814	-	-	848,814
Transfers out	(2,704,808)	-	-	(2,704,808)
CHANGE IN NET POSITION	1,804,524	881,291	661,454	3,347,269
NET POSITION - BEGINNING	59,781,227	13,624,294	1,468,921	74,874,442
NET POSITION - END OF YEAR	$ 61,585,751	$ 14,505,585	$ 2,130,375	$ 78,221,711

The accompanying notes are an integral par of these financial statements.

CITY OF DESOTO, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			
	Public Utility	Drainage	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 27,087,515	$ 1,599,137	$ 7,292,130	$ 35,978,782
Payments to suppliers	(20,205,115)	(51,417)	(5,994,044)	(26,250,576)
Payments to employees	(2,657,747)	(266,248)	(565,916)	(3,489,911)
Net cash provided by operating activities	4,224,653	1,281,472	732,170	6,238,295
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other receipts	693,371	-	36,000	729,371
Transfers out to other funds	(2,704,808)	-	-	(2,704,808)
Net cash provided (used) by noncapital financing activities	(2,011,437)	-	36,000	(1,975,437)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(5,298,446)	(319,929)	-	(5,618,375)
Proceeds from capital debt	9,429,000	-	-	9,429,000
Proceeds from premium on capital debt	656,041	-	-	656,041
Principal paid on long-term debt	(1,620,000)	(205,000)	-	(1,825,000)
Interest paid on long-term debt	(1,003,483)	(65,998)	-	(1,069,481)
Impact fees for capital projects	848,814	-	-	848,814
Net cash provided (used) by capital and related financing activities	3,011,926	(590,927)	-	2,420,999
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,523,162	269,243	52,544	1,844,949
Net cash provided by investing activities	1,523,162	269,243	52,544	1,844,949
Net increase in cash and cash equivalents	6,748,304	959,788	820,714	8,528,806
Cash and cash equivalents, beginning of year:				
Cash and cash equivalents	34,894,531	5,092,449	699,619	40,686,599
Cash and cash equivalents, end of year:				
Cash and cash equivalents	13,151,265	6,052,237	1,520,198	20,723,700
Restricted cash and cash equivalents	28,491,570	-	135	28,491,705
Total cash and cash equivalents	$ 41,642,835	$ 6,052,237	$ 1,520,333	$ 49,215,405
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	2,264,084	613,932	572,910	3,450,926
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	3,072,092	631,201	70,972	3,774,265
Decrease (increase) in customer receivable	659,469	1,511	(105,413)	555,567
Decrease (increase) in inventory	317	-		317
Increase (decrease) in accounts payable	(1,655,086)	70,052	196,041	(1,388,993)
Increase (decrease) in accrued liabilities	(9,199)	(7,893)	9,876	(7,216)
Increase (decrease) in customer deposits	(6,450)	-	-	(6,450)
Increase (decrease) in compensated absences	(134,455)	(31,424)	(18,710)	(184,589)
Increase (decrease) in net pension/total OPEB liabilities	(283,392)	(31,540)	(50,043)	(364,975)
Increase (decrease) in pension related deferred inflows	22,703	3,669	5,821	32,193
Increase (decrease) in pension and OPEB related deferred outflows	294,570	31,964	50,716	377,250
Net cash provided by operating activities	$ 4,224,653	$ 1,281,472	$ 732,170	$ 6,238,295
Schedule of Noncash Capital and Related Financing Activities				
Capital assets included in accounts payable	$ -	$ 187,402	$ -	$ 187,402
Amortization of bond premium	278,751	-	-	278,751

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

The City of DeSoto (the "City") was incorporated in 1949. The City operates as a home-rule City under a council-manager form of government with a mayor and six City Council members elected at large. The City provides the following services as authorized by its charter: public safety (police and fire), streets, water, sewer and drainage utilities, solid waste operations, public library, parks and recreation, public improvements, planning, zoning and code enforcement, and general administrative services.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies:

A. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

Based on these criteria, the financial information of the following entities is blended or discretely presented within the financial statements.

Blended Component Units

Health Facilities Development Corporation - The City created the Corporation to assist the maintenance of public health within the City. The Corporation's governing body is the same as the governing body of the City. Operational responsibility of the Health Facilities Development Corporation lies with City management. Upon dissolution of the Corporation, the assets of the Corporation shall be distributed to the City.

Housing Finance Corporation - The City created the Corporation to carry out the purposes of the Texas Housing Finance Corporations Act within the City. The Corporation's governing body is substantially the same as the governing body of the City. There are seven directors. Operational responsibility of the Housing Finance Corporation lies with City management. Upon dissolution of the Corporation, title to or other interests in any real or personal property owned by the Corporation shall vest in the City.

Industrial Development Authority, Inc. - The City created the Corporation for the purposes of promoting and developing commercial, industrial, manufacturing and medical research enterprises to promote and encourage employment, public health and public welfare within the City. The Corporation's governing body is the same as the governing body of the City and operational responsibility lies with City management. Upon dissolution of the Corporation, the assets of the Corporation shall be distributed to the City.

Public Improvement District (PID) - In March 2020, the City accepted a petition to authorize the creation of a Public Improvement District in accordance with Chapter 372 of the Texas Local Government Code. The PID was created for the purpose of making improvements to a designated geographic area by levying a special property assessment on the property within that area. Project costs will initially be paid for using current assessments, but the City may issue debt in the future with the assessment pledged to service that debt. In accordance with the enabling legislation, City Council has the authority to approve and modify the special assessment, appoint administration, and authorize all debt insuances. The PID is accounted for in the Public Improvement District Fund, a nonmajor special revenue fund. For 2024, the special assessment was $453,310 and the City has collected 97.01% of the assessment.

Discretely Presented Component Unit

DeSoto Development Corporation (DDC) - The Corporation was created in 2021 for the purpose of promoting development within the City. There are five directors, all appointed by the City Council. All directors are residents of the City. Each director serves a three-year staggered term. The Corporation is authorized to borrow funds and issue bonds with City Council approval, and is assigned a portion of the City's sales tax revenues to promote economic development. The DDC does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its discretely presented component units.

All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated. *Governmental activities*, which are normally supported by property, sales and franchise taxes, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Significant revenues generated from business-type activities include: charges to customers for water and wastewater services, municipal drainage services and charges for solid waste services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

This statement demonstrates the degree to which the direct expenses of a given function of government are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function of City government. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues in the statement of activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In addition to the government-wide financial statements, the City also reports separate financial statements for governmental funds and proprietary funds and these statements are classified as fund financial statements. The fund financial statements are organized on the basis funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual Proprietary Funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - This fund accounts for the accumulation of resources (primarily property tax levies) for the payment of principal, interest and related costs of general long-term debt.

Street Improvement Fund - This fund accounts for the financial and construction costs of various street improvement projects within the City. General obligation and certificate of obligation bonds provide the financing.

Park Improvement Fund – These funds account for the financial and construction costs of various park improvement projects within the City. General obligation and certificate of obligation bonds provide the financing.

ARPA Grant Fund – This fund accounts for funds received under the American Rescue Plan Act grant and the related expenditures. This fund is designated as major.

The City reports the following major proprietary funds:

Public Utility Fund - This fund accounts for water and wastewater system services provided for residents and businesses of the City, including administration, operations, maintenance, debt service, billing and collection.

Drainage Fund - This fund accounts for the operation of the Drainage Utility and provides funding for drainage capital improvements, and enhanced maintenance of the drainage system.

Sanitation Fund - This fund accounts for revenues and expenses of solid waste operations. Revenues are generated through user charges. This fund also funds additional services for litter control and median beautification, street sweeping and household hazardous waste collection.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. With the economic resources measurement focus, all assets and liabilities (whether current or noncurrent) are reported on the Statement of Net Position.

As a general rule, except for interfund services provided and used which are not eliminated in the process of consolidation, the effect of other interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers for goods or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary operating are charges to customers for sales and services. All revenues and expenses that do not meet this definition are reported as non-operating revenues and expenses. Unbilled receivables for water and sewer services are recorded at year-end.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. Measurable means the amount of the transaction can be determined. Available means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the fiscal year-end. Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred, with the exception of principal and interest on general long-term debt, and liabilities for accrued compensated absences, which are recognized when due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are considered short-term, highly liquid investments with a maturity date within three months of the date acquired that are readily convertible to known amounts of cash and so near maturity that there is not significant risk of changes in value due to change in interest rates.

Investments

Investments consist of balances in privately managed public funds investment pools, money market funds, and certificates of deposit. Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The City categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

Public Funds Investment Pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act Chapter 79 of the Texas Government Code and are subject to the provisions of the Public Funds Investment Act (the "Act") Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

Property Taxes

Ad valorem taxes are levied from valuations assessed as of January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within 60 days of the fiscal year are recorded as deferred inflows of resources and is recognized when it becomes available. Taxes collected prior to the levy date to which they apply are recorded as deferred inflows of resources and recognized as revenue of the period to which they apply. Current taxes are due on October 1 and become delinquent if unpaid on February 1 and are turned over to the City Attorney for collection on July 1. Delinquent property taxes attach as an enforceable lien on property as of January 1. For the year ended September 30, 2024, the City had a tax rate of $.685092 per $100, of which $.503485 was allocated for general government, and $.181607 was allocated for payment of principal and interest on governmental activities long-term debt.

Receivables

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes, sales taxes, and franchise taxes. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of the aging of accounts and other specific information known by management.

Due from Other Governments

The amount due from other governments represent balances owed to the City from various governmental agencies for reimbursement of eligible expenditures.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain proceeds from bonds, resources set aside for their repayment, and other restrictive agreements are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants and/or contractual arrangements.

Capital Assets

Capital assets, which include land, buildings, infrastructure, improvements, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost. Donated capital assets, and donated works of art and similar items are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets capitalized have an original cost of $5,000 or more and a useful life of more than 1 year. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Useful Lives (Years)
Infrastructure, water and sewer system, and water line replacements	10 - 50
Buildings	32
Equipment and furniture	8 - 30

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future reporting period and thus, will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category.

- Deferred loss refunding - A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Changes in actuarial assumptions and other inputs included in determining the total OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Differences between expected and actual economic experience for the City's pension plan – These effects on the pension liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

- Difference in projected and actual investment earnings on pension assets – This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods. therefore, will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the Statements of Net Position and/or balance sheet are as follows:

- Deferred gain on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Differences between expected and actual economic experience for the City's total OPEB plan – These effects on the total OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the total OPEB plan (active employees and inactive employees).

- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Deferred inflows of resources for unavailable revenues – This arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, property assessments, court fines and fees, EMS services, and alarm permits.

- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

Compensated Absences

The City permits employees to accumulate to certain limits unused vacation, sick leave and compensatory time. For civilian and police employees, unused vacation leave may be accumulated to a maximum of 320 hours and unused sick leave may be accumulated to a maximum of 720 hours. For firefighters, unused vacation leave may be accumulated to a maximum of 480 hours and unused sick leave may be accumulated to a maximum of 1,080 hours. Liabilities for compensated absences are normally expected to be liquidated with expendable available financial resources and are recognized as governmental fund liabilities to the extent that they mature each period. Accrued compensated absences are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements when earned. Compensated absences are reported in governmental funds only if they have matured.

Unearned Revenue

Unearned revenue is reported when cash is received before the related performance or eligibility requirements are met. These relate primarily to the grant funds received in advance for the COVID-19 ARPA grants, which will be recognized in future years to the extent that funds are spent. The City also reports unearned revenue for facility rental payments received before the rental is used.

Long-term Debt

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt is recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and uses.

Lease Liability

The DeSoto Development Corporation (DDC) is a lessee for noncancellable lease of a building. The DDC recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The DDC recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the DDC measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or lease term, whichever is shorter.

Key estimates and judgments related to leases include how the DDC determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The DDC uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the DDC generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the DDC is reasonably certain to exercise.

The DDC monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lease assets are reported with capital, lease, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription Liability

The City contracts for noncancellable subscriptions of information technology software. The City recognizes a subscription liability and an intangible subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of $5,000 or more.

At the commencement of a subscription, the City measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life or subscription term, whichever is shorter.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the subscription-based information technology arrangement (SBITA) vendor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Subscription assets are reported with capital, lease, and subscription assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefits Payments and refunds are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Other Post-Employment Benefit Plan

The City participates in a defined benefit group-term life insurance plan, both for current and retired employees, administered by the Texas Municipal Retirement System (TMRS). The City reports the total liability for this plan on the government-wide and proprietary fund financial statements. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources of governmental and business-type activities and proprietary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital, lease and subscription assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – This amount is restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments and limitations imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The City Council delegates the authority for determining this intent to the City Manager. Assignments are made at the City Manager's discretion, but generally represent items for which specific funds have been informally dedicated internally. This classification also includes the remaining positive fund balance for all governmental funds except the General Fund.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Fund Balance and Net Position Flow Assumptions

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services provided and used, are recorded as transfers.

Reclassifications

Certain reclassifications have been made to the 2023 financial statements. The reclassifications had no effect on the changes in financial position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

Adoption of New Accounting Standards

The City has adopted and implemented the following statement during fiscal year ended September 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections*—and amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. The adoption had no effect on the City.

Future Financial Reporting Requirements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2024. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
101	*Compensated Absences*	September 30, 2025
102	*Certain Risk Disclosures*	September 30, 2025
103	*Financial Reporting Model Improvements*	September 30, 2026
104	*Disclosure of Certain Capital Assets*	September 30, 2026

2. Cash and Investments

As of September 30, 2024, the City's investments included privately managed public funds investment pools, money market funds, and certificates of deposit.

The City participates in the Texas Local Government Investment Pool ("TexPool"), a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer. TexPool is carried at amortized cost.

Texas CLASS, the Texas Cooperative Liquid Asset Securities System (Trust Company) was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. It is administered and managed by Public Trust Advisors, LLC and Wells Fargo Bank N.A. is the custodial bank. The primary objectives of Texas CLASS Investment Pool is to maintain safety of principal while providing participating government entities with the highest possible rate of return for invested funds. Texas CLASS is carred at net asset value. The City's net asset value in the Texas CLASS Investment Pool is the same as the value of the pool shares.

The Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates and may only restrict withdrawals in the event of a general banking moratorium or during a national state of emergency.

Credit Risk

In compliance with the City's investment policy as of September 30, 2024, the City minimized credit risk losses due to default of a security issuer or backer by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers/dealers, and advisors with which the City does business, and diversifying the investment portfolio so that potential losses on individual securities are minimized. The following is a listing of investments held at September 30, 2024:

	Recorded Value	Credit Quality Rating	Percentage of Investments	Weighted Average Maturity (Days)
Investment Type:				
Local Government Investment Pools:				
TexPool	$ 76,264	AAAm	0.06%	28
Texas CLASS	28,822,003	AAAm	13.36%	72
Total Local Government Investment Pools	28,898,267		13.42%	
Investment Securities:				
Certificates of Deposit, non-negotiable *	121,064,548	N/A	74.48%	229
Money Market and Insured Cash Sweep *	14,471,768	N/A	12.11%	1
Total Investment Securities	135,536,316		86.59%	
	$ 164,434,583		100.01%	

* The investments are valued at amortized cost which approximates fair value.

Statement of net position		
Primary Government		
Cash and investments	$	163,600,716
Restricted cash and investments		28,491,705
Component Unit		
Cash and investments		12,209,583
Restricted cash and investments		1,000,000
Total cash and investments	$	205,302,004
Cash on hand	$	6,099
Deposits with financial institutions		176,397,638
Investments in Local Government Investment Pools		28,898,267
Total cash and investments	$	205,302,004

Interest Rate Risk

In order to minimize risk of loss due to interest rate fluctuations, the City's investment policy states investment maturities will not exceed the anticipated cash flow requirement of the funds as follows:

Operating Funds - The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity of each security and the maximum allowable maturity shall be there for years.

Debt Service Fund - The maximum maturity for securities purchased shall not exceed the corresponding debt service payment date.

Special Purpose Funds - The maximum maturity shall not exceed five years and each fund's weighted average life shall not exceed three years.

Custodial Credit Risk

The City maintains a cash and investment pool that combines cash of the various funds in order to maximize investment opportunities. The City's policy and state statutes require that all deposits in financial institutions be insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized as per the Public Funds Collateral Act. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2024.

As of September 30, 2024, all of DDC's deposits were fully insured by FDIC insurance or collateralized.

3. Receivables

Accounts receivables at September 30, 2024, for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Street Improvement Fund	Park Improvement Fund	Nonmajor Governmental Funds	Total
Receivables:						
Property taxes	$ 1,453,265	$ 468,621	$ -	$ -	$ -	$ 1,921,886
Sales tax	1,817,126	-	-	-	-	1,817,126
Hotel occupancy taxes	-	-	-	-	115,843	115,843
Court fines	11,582,407	-	-	-	-	11,582,407
Ambulance	7,074,271	-	-	-	-	7,074,271
Franchise fees	712,795	-	-	-	-	712,795
Alarm permits	438,442	-	-	-	-	438,442
Other	1,347,403	-	65,933	28,032	882,865	2,324,233
Gross receivables	24,425,709	468,621	65,933	28,032	998,708	25,987,003
Less: allowance for uncollectible accounts	(18,114,381)	(315,713)	-		-	(18,430,094)
Net receivables	$ 6,311,328	$ 152,908	$ 65,933	$ 28,032	$ 998,708	$ 7,556,909

	Proprietary Funds			
	Public Utility Fund	Drainage Fund	Sanitation Fund	Total
Customer accounts	$ 4,669,939	$ 175,000	$ 837,469	$ 5,682,408
Other	271,544	26,968	113	298,625
Gross receivables	4,941,483	201,968	837,582	5,981,033
Less: allowance for uncollectible accounts	(303,777)	(5,579)	(11,455)	(320,811)
Net receivables	$ 4,637,706	$ 196,389	$ 826,127	$ 5,660,222

4. Capital, Lease and Subscription Assets

Capital, lease and subscription assets activity for the primary government for the fiscal year ended September 30, 2024, is as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 9,835,670	$ -	$ -	$ -	$ 9,835,670
Street/Alley ROW	14,072,949	-	-	-	14,072,949
Construction in progress	20,441,298	10,901,740	-	(7,438,269)	23,904,769
Total capital assets not being depreciated	44,349,917	10,901,740	-	(7,438,269)	47,813,388
Capital and subscription assets being depreciated/amortized:					
Buildings	51,650,150	9,500	-	-	51,659,650
Infrastructure	200,419,360	704,448	-	7,410,231	208,534,039
Equipment and furniture	21,315,160	1,769,909	(242,648)	28,038	22,870,459
Subscription assets	1,291,892	-	-	-	1,291,892
Total assets being depreciated/ amortized	274,676,562	2,483,857	(242,648)	7,438,269	284,356,040
Less accumulated depreciation/ amortization for:					
Buildings	(22,713,299)	(1,408,449)	-	-	(24,121,748)
Infrastructure	(123,424,231)	(6,598,653)	-	-	(130,022,884)
Equipment and furniture	(21,315,160)	(1,181,660)	242,648	-	(22,254,172)
Subscription assets	(395,153)	(397,239)	-	-	(792,392)
Total accumulated depreciation/amortization	(167,847,843)	(9,586,001)	242,648	-	(177,191,196)
Total capital and subscription assets being depreciated/ amortized, net	106,828,719	(7,102,144)	-	7,438,269	107,164,844
Governmental activities capital and subscription assets, net	$ 151,178,636	$ 3,799,596	$ -	$ -	$ 154,978,232

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 1,244,443	$ -	$ -	$ -	$ 1,244,443
Construction in progress	10,091,286	4,945,372	-	(2,467,844)	12,568,814
Total capital assets, not being depreciated	11,335,729	4,945,372	-	(2,467,844)	13,813,257
Capital assets being depreciated:					
Water and sewer system	101,418,952	334,077	-	(136,652)	101,616,377
Drainage system	14,086,397	55,957	-	236,050	14,378,404
Improvements	15,838,304	-	-	2,467,844	18,306,148
Equipment and furniture	2,424,771	470,371	(99,291)	(99,398)	2,795,744
Total assets being depreciated	133,768,424	860,405	(99,291)	2,467,844	137,096,673
Less accumulated depreciation for:					
Water and sewer system	(59,739,151)	(2,645,423)	-	-	(62,384,574)
Drainage system	(8,251,043)	(545,651)	-	-	(8,796,694)
Improvements	(11,700,163)	(457,808)	-	-	(12,157,971)
Equipment and furniture	(1,911,239)	(125,383)	99,291	-	(2,036,622)
Total accumulated depreciation	(81,601,596)	(3,774,265)	99,291	-	(85,375,861)
Total capital assets being depreciated, net	52,166,828	(2,913,860)	-	2,467,844	51,720,812
Business-type activities capital assets, net	$ 63,502,557	$ 2,031,512	$ -	$ -	$ 65,534,069

Capital and lease assets activity for the discretely presented component unit is as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
DeSoto Development Corporation:					
Capital assets not being depreciated:					
Land	$ 11,250	$ -	$ -	$ -	$ 11,250
Total capital assets not being depreciated:	11,250	-	-	-	11,250
Capital and lease assets being depreciated/amortized:					
Improvements	5,324,530	-	-	-	5,324,530
Furniture and equipment	69,879	-	-	-	69,879
Lease asset - building	856,008	-	-	-	856,008
Total assets being depreciated/amortized	6,250,417	-	-	-	6,250,417
Less accumulated depreciation/ amortization for:					
Improvements	(3,659,774)	(115,520)	-	-	(3,775,294)
Furniture and equipment	(69,879)	-	-	-	(69,879)
Lease asset- building	(577,805)	(85,601)	-	-	(663,406)
Total accumulated depreciation/ amortization	(4,307,458)	(201,121)	-	-	(4,508,579)
Total capital and lease assets being depreciated/ amortized, net	1,942,959	(201,121)	-	-	1,741,838
DeSoto Development Corporation capital and lease assets, net	$ 1,954,209	$ (201,121)	$ -	$ -	$ 1,753,088

Depreciation

Depreciation expense was charged to functions/programs of the City as follows:

	Depreciation Expense
Primary government	
Governmental activities:	
General government	$ 497,354
Public safety	1,207,221
Development services	6,096,417
Parks and recreation	1,157,369
Library services	34,092
Financial services	26,737
Information technology	566,811
Total depreciation/amortization - governmental activities	9,586,001
Business-type activities:	
Public Utility	3,072,092
Drainage	631,201
Sanitation	70,972
Total depreciation/amortization - business-type activities	3,774,265
Total primary government	$ 13,360,266

Construction Commitments

The City has active construction projects as of September 30, 2024. At year end, the City's commitments with contractors were as follows:

Projects	Remaining Commitment
Street improvements	$ 84,968
Drainage	902,852
Water and sewer	557,635
Parks	38,901,493
Total	$ 40,446,948

5. Long-term Liabilities

Changes in the City's long-term liability activity for the year ended September 30, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds	$ 25,195,000	$ -	$ (4,950,000)	$ 20,245,000	$ 4,945,000
Certificates of obligation	43,058,947	37,716,000	(960,000)	79,814,947	4,973,000
Bond premium	7,562,141	2,624,163	(930,193)	9,256,111	-
Tax notes - private placement	-	3,400,000	(3,400,000)	-	-
Financed purchase	383,933	-	(189,903)	194,030	194,030
Subscription liability	896,739	-	(397,239)	499,500	399,337
Compensated absences	5,856,075	1,645,051	(1,418,426)	6,082,700	1,216,540
Total governmental activities Long-term liabilities	$ 82,952,835	$ 45,385,214	$ (12,245,761)	$ 116,092,288	$ 11,727,907
Business-type activities:					
General obligation bonds	$ 7,420,000	$ -	$ (1,065,000)	$ 6,355,000	$ 1,010,000
Certificates of obligation	18,981,053	9,429,000	(760,000)	27,650,053	1,777,000
Bond premium	3,070,815	656,041	(278,751)	3,448,105	-
Compensated Absences	517,416	98,435	(283,025)	332,826	66,565
Total business-type activities Long-term liabilities	$ 29,989,284	$ 10,183,476	$ (2,386,776)	$ 37,785,984	$ 2,853,565

For governmental activities, compensated absences are generally liquidated by the General Fund.

Changes in the discretely presented component unit's long-term liabilities for the year ended September 30, 2024, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
DeSoto Development Corporation:					
Compensated Absences	$ 29,760	$ 9,822	$ (13,591)	$ 25,991	$ 5,198
Lease liabilities	316,458	-	(93,035)	223,423	96,825
Total	$ 346,218	$ 9,822	$ (106,626)	$ 249,414	$ 102,023

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental activities. These instruments include general obligation bonds, certificates of obligation, and tax notes. These debt obligations are secured by primarily future property tax revenues. In some cases, these bonds are also secured by a pledge of net revenues from the utility system that is generally limited to a nominal amount.

Additionally, certain obligations that were marketed as private placements have been separately identified; however, the terms of these obligations are not significantly different than other obligations and do not have substantive acceleration clauses. Should the City default on these bonds, any registered owner of the obligations is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make payment.

Governmental Activities

General obligation bonds and certificates of obligation for Governmental Activities outstanding at September 30, 2024, consist of the following individual issues:

General Obligation Bonds:	Interest Rate	Final Maturity Date	Outstanding
2012 Refunding	3.0 - 5.0%	2/15/2025	$ 1,570,000
2015 General Obligation	2.5 - 4.0%	2/15/2030	1,765,000
2016 Refunding	2.0 - 3.0%	2/15/2036	2,910,000
2016 Refunding (Taxable)	2.25 - 4.0%	2/15/2036	755,000
2017 Refunding	2.0 - 4.0%	2/15/2037	8,130,000
2019 General Obligation	3.0 - 4.0%	2/15/2039	3,800,000
2020A General Obligation Refunding	0.43 - 2.13%	2/15/2033	550,000
2020B General Obligation Refunding	2.0 - 5.0%	2/15/2031	765,000
Total general obligation bonds			20,245,000
Certificates of Obligation:			
2015 Tax and Revenue	2.5 - 3.5%	2/15/2030	1,110,000
2016 Tax and Revenue	2.5 - 4.0%	2/15/2036	655,000
2017 Tax and Revenue	2.0 - 4.0%	2/15/2037	2,735,000
2019 Tax and Revenue	3.0 - 4.0%	2/15/2039	4,255,000
2020 Tax and Revenue	2.0 - 5.0%	2/15/2040	16,085,000
2022 Tax and Revenue	4.0 - 5.0%	2/15/2042	17,258,947
2024 Tax and Revenue	4.0 - 5.0%	2/15/2044	37,716,000
Total certificates of obligation			79,814,947
Total bonds and certificates of obligation			$ 100,059,947

Business-Type Activities

General obligation bonds and certificates of obligation for Business-Type Activities outstanding at September 30, 2024, consist of the following individual issues:

General Obligation Bonds:	Interest Rate	Final Maturity Date	Outstanding
2012 Refunding Bonds	3.0 - 5.0%	2/15/2025	$ 50,000
2016 Refunding Bonds	2.0 - 3.0%	2/15/2026	175,000
2017 Refunding Bonds	2.0 - 4.0%	2/15/2037	1,185,000
2020A General Obligation Refunding	0.43 - 2.13%	2/15/2033	2,185,000
2020B General Obligation Refunding	2.0 - 5.0%	2/15/2031	2,760,000
Total general obligation bonds			6,355,000
Certificates of Obligation:			
2017 Tax and Revenue	2.0 - 4.0%	2/15/2037	685,000
2019 Tax and Revenue	3.0 - 4.0%	2/15/2039	4,005,000
2020 Tax and Revenue	2.0 - 5.0%	2/15/2040	6,555,000
2022 Tax and Revenue	4.0 - 5.0%	2/15/2042	6,976,053
2024 Tax and Revenue	4.0 - 5.0%	2/15/2044	9,429,000
Total certificates of obligation			27,650,053
Total bonds and certificates of obligation			$ 34,005,053

Debt Service Schedules

The annual debt service requirements for long term debt as of September 30, 2024, are as follows:

General Obligation Bonds

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2025	$ 4,945,000	$ 645,938	$ 5,590,938	$ 1,010,000	$ 207,936	$ 1,217,936
2026	3,315,000	492,933	3,807,933	940,000	177,553	1,117,553
2027	2,845,000	369,065	3,214,065	895,000	141,579	1,036,579
2028	1,755,000	276,012	2,031,012	920,000	105,594	1,025,594
2029	1,415,000	217,953	1,632,953	965,000	68,851	1,033,851
2030-2034	3,485,000	653,168	4,138,168	1,625,000	61,937	1,686,937
2035-2039	2,485,000	164,263	2,649,263	-	-	-
Total	$ 20,245,000	$ 2,819,332	$ 23,064,332	$ 6,355,000	$ 763,450	$ 7,118,450

Certificates of Obligation

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2025	$ 4,973,000	$ 3,514,236	$ 8,487,236	$ 1,777,000	$ 1,175,581	$ 2,952,581
2026	2,921,000	3,178,660	6,099,660	1,034,000	1,075,940	2,109,940
2027	3,070,000	3,039,510	6,109,510	1,085,000	1,026,015	2,111,015
2028	3,203,000	2,892,860	6,095,860	1,137,000	973,390	2,110,390
2029	3,356,000	2,738,360	6,094,360	1,194,000	917,915	2,111,915
2030-2034	20,264,000	11,049,525	31,313,525	7,301,000	3,652,375	10,953,375
2035-2039	24,300,000	6,216,350	30,516,350	8,880,000	1,971,550	10,851,550
2040-2044	17,727,947	1,551,920	19,279,867	5,242,053	428,280	5,670,333
Total	$ 79,814,947	$ 34,181,421	$ 113,996,368	$ 27,650,053	$ 11,221,046	$ 38,871,099

Financed Purchases

The City has entered into financing arrangements for financing the acquisition of fire trucks. The agreements transfer ownership of the financed equipment, and in the event of default, the arrangements are secured by that equipment. The arrangements bear interest from 0.20-2.5% per annum.

The financed purchase payment requirements as of September 30, 2024, are as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2025	$ 194,030	$ 4,966	$ 198,996
	$ 194,030	$ 4,966	$ 198,996

Lease Liabilities

The discretely presented component unit (DeSoto Development Corporation) leases a building to conduct its operations, the term of which expires 2027. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2024, the value of the lease liabilities was $223,423. An incremental borrowing rate of 4% was used to measure lease liabilities. The value of the right-to-use assets as of the end of the current fiscal year was $856,008 and had accumulated amortization of $663,406. During the current year, the DDC paid interest of $10,965.

The future principal and interest payments for lease liabilities as of September 30, 2024, are as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2025	$ 96,825	$ 7,175	$ 104,000
2026	100,770	3,230	104,000
2027	25,828	172	26,000
Totals	$ 223,423	$ 10,577	$ 234,000

Subscription Liabilities

The City has a subscription IT arrangement to conduct its operations, the term of which expires 2026. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

As of September 30, 2024, the value of the subscription liabilities was $499,500. An incremental borrowing rate of 0.12 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2024, was $1,291,892 and had accumulated amortization of $792,392.

The future principal and interest payments for subscription liabilities as of September 30, 2024, are as follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2025	$ 399,337	$ 1,844	$ 401,181
2026	100,163	132	100,295
Totals	$ 499,500	$ 1,976	$ 501,476

Current Year Bond Issuance

In July 2024, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2024 in the amount of $47,145,000 for the purpose of: (i) design, construct roadway improvements on Danieldale Road, including certain road, street, sidewalks, alleyways, curb, drainage, water and sewer, and related improvements within the City; (ii) construction of an aquatics and recreation center within the City that will be generally accessible to the public and a part of the City's park system; (iii) certain concrete and asphalt improvements at various locations throughout the City; (iv) water and sewer capital projects at various locations throughout the City; and (v) professional services rendered in connection with the above listed projects. Interest will be payable semiannually on February 15 and August 15 of each year, commencing February, 15 2025. The bonds were issued with a premium of $3,280,204 and an interest rate of 4.0 - 5.0%.

6. Interfund Balances and Transfers

Due to/from Other Funds

The composition of interfund balances outstanding as of September 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General	Street Improvement	$ 4,000,000	Advances for capital projects
General	Housing Finance Corporation (Nonmajor Governmental)	1,935	Advances for operating costs
General	CDBG Grant Fund (Nonmajor Governmental)	33,889	Advances for expenditure driven grants
General	Grant Fund (Nonmajor Governmental)	721,715	Advances for expenditure driven grants
General	Public Improvement District (Nonmajor Governmental)	4,813	Advances for operating costs
Housing Finance Corporation (Nonmajor Governmental)	General	57,455	Advances for operating costs
Totals		$ 4,819,807	

Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2024, is as follows:

Transfer From	Transfer To	Amount	Purpose
General fund	Debt service	$ 231,964	To fund debt service
General fund	Municipal Court (Nonmajor governmental)	50,000	To supplement operations
Debt service	General fund	26,300	To fund debt service
City Jail (Nonmajor governmental)	General fund	15,000	To supplement operations
Municipal Court (Nonmajor governmental)	General fund	10,000	To supplement operations
Public utility	General fund	2,704,808	PILOT, franchise fees, energy management grant, and maintenance and equipment
		$ 3,038,072	

7. Deferred Inflows of Resources

Deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General	Debt Service	Nonmajor Governmental Funds	Total
Property taxes	$ 456,196	$ 145,588	$ -	$ 601,784
Property assessments	-	-	21,952	21,952
Court fines and fees receivable	1,158,241	-	-	1,158,241
Ambulance	350,034	-	-	350,034
Alarm permits	43,844	-	-	43,844
Total	$ 2,008,315	$ 145,588	$ 21,952	$ 2,175,855

8. Employee Retirement System

Texas Municipal Retirement System

Plan Description and Provisions

The City participates as one of over 930 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *www.tmrs.com*.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the Member contributions and interest.

The City grants monetary credits for service rendered of a theoretical amount equal to two times what would have been contributed by the employee, with interest. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 2010, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2010, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	5
Service retirement eligibility:	20 years at any age, 5 years at age 60 and above
Updated service credit:	100% Repeating
Annuity increase to retirees:	30% of CPI repeating
Supplemental death benefit - employees and retirees	Yes

The employer contribution rate cannot exceed a statutory maximum rate, which is based on a combination of the employee contribution rate and the City matching percentage. There is an optional higher maximum rate that may be applied in certain circumstances if elected by participating cities, or a city may elect to remove the maximum rate.

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	307
Inactive employees entitled to but not yet receiving benefits	345
Active employees	398
Total	1,050

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching ratios are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.83% and 11.34% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for pension benefits for the year ended September 30, 2024, were $3,968,382 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statue. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability/(Asset)

	Increase (Decease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)-(b)**
Balance at October 1, 2023	$ 154,816,176	$ 139,038,894	$ 15,777,282
Changes for the year:			
Service cost	5,535,351	-	5,535,351
Interest	10,415,137	-	10,415,137
Change In Assumptions	(693,017)	-	(693,017)
Difference between expected and actual experience	2,610,001	-	2,610,001
Contributions - employer	-	3,702,832	(3,702,832)
Contributions - employee	-	2,387,397	(2,387,397)
Net investment income	-	16,085,659	(16,085,659)
Benefit payments, including refunds of employee contributions	(6,571,045)	(6,571,045)	-
Administrative expense	-	(102,375)	102,375
Other changes	-	(715)	715
Net changes	11,296,427	15,501,753	(4,205,326)
Balance at September 30, 2024	$ 166,112,603	$ 154,540,647	$ 11,571,956

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The net pension liability attributable to the governmental activities will be liquidated primarily by the General Fund.

The following presents the Net Pension Liability of the City, calculated using the discount rate of 6.75%, as well as what the City's Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) of 1 percentage higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75)%	Current Single Discount Rate (6.75)%	1% Increase in Discount Rate (7.75)%
Net pension liability/(asset)	$ 34,331,294	$ 11,571,956	$ (7,188,313)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized a pension expense of $4,515,946.
At September 30, 2024, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,306,322	$ -
Changes in actuarial assumptions	-	489,188
Difference between projected and actual investment earnings	3,762,997	-
Contributions subsequent to the measurement date	2,911,904	-
Total	$ 8,981,223	$ 489,188

$2,911,904 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2025	$ 1,890,200
2026	1,907,932
2027	3,122,104
2028	(1,340,105)
	$ 5,580,131

9. Other Post-Employment Benefits

TMRS Supplemental Death Benefits Plan

Plan Description

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (*i.e.*, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*).

Benefits Provided

The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of $7,500.

Employees Covered by Benefit Terms

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	199
Inactive employees entitled to but not yet receiving benefits	65
Active employees	398
Total	662

Contributions

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city (currently 0.32% of covered payroll). The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you-go basis; any excess contributions and investment income over payments then become net position available for benefits.

The City's total SBDF contribution rates were 0.32% and 0.33% in calendar years 2024 and 2023, respectively. The retiree portion of the total SBDF contribution rates for the City were 0.11% and 0.12% in calendar years 2024 and 2023, respectively. For the year ended September 30, 2024, the City paid contributions of $114,362, which equaled the required contributions and represents both the current and retired employee contributions.

Actuarial Assumptions

The City's Total OPEB Liability ("TOL") was measured at December 31, 2023 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Inflation rate	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	3.77% as of December 31, 2023 (4.05% in prior year)
Retirees' share of benefit-related costs	$0

Mortality rates for retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Mortality rates for disabled annuitants were based on the mortality tables for with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2023, valuation was based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate

The discount rate used to measure the Total OPEB Liability as of December 31, 2023, was 3.77%, compared to 4.05% as of December 31, 2022. Because the Supplemental Death Benefits Fund is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date of December 31, 2023.

Changes in Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at beginning of year	$ 1,089,220
Changes for the year:	
Service cost	47,748
Interest on total OPEB liability	44,252
Differences between expected and actual experience	(9,392)
Changes in assumptions or other inputs	61,191
Benefit payments	(40,927)
Net Changes	102,872
Balance at end of year	$ 1,192,092

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.77%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

1% Decrease in Discount Rate 2.77%	Discount Rate 3.77%	1% Increase in Discount Rate 4.77%
$ 1,427,743	$ 1,192,092	$ 1,007,982

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Activity

For the year ended September 30, 2024, the City recognized OPEB expense of $46,965 relating to the SDBF plan.

As of September 30, 2024, the City reported deferred outflows and inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual economic experience	$ -	$ 53,667
Difference in assumption changes	155,720	351,718
Employer contributions subsequent to the measurement date	82,170	-
Totals	$ 237,890	$ 405,385

The $82,170 reported as deferred outflows of resources related to OPEBs resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2025. Amounts currently reported as deferred outflows and inflows of resources related to OPEBs, excluding contributions subsequent to the measurement date, will be recognized in OPEB expense as follows:

2025	$ (42,671)
2026	(78,710)
2027	(98,542)
2028	(33,041)
2029	3,299
	$ (249,665)

Allocation of OPEB Items

The City allocates OPEB items between governmental activities and business-type activities on the basis of employee payroll funding. For the governmental activities, the total OPEB liability is liquidated by the general fund. For the business type activities, the Public Utility fund liquidates the total OPEB liability.

Health Insurance

In addition to providing pension benefits, retired employees are entitled to elect continuation coverage under the City's group accident and health insurance plan. The City revised its health care plan which requires that retirees pay the full cost of their health care as determined by the City's health care provider. The health care provider segregates the retired employees and calculates the healthcare costs for that group. Therefore, the City does not have an implicit cost for retired employees' health care coverage and no liability for postretirement benefits.

10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with IRC 457. The plan, available to all permanent City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. Participants' rights under the plan are in an amount equal to the fair value of the deferred account for each participant. Empower Retirement Solutions is the trustee of the plan. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the City. The City does not match employee contributions to the deferred compensation plan.

11. Commitments and Contingencies

Trinity River Authority of Texas

In November 1983, the City and other area municipalities entered into a contract with the Trinity River Authority (the "Authority") for utilization of the Authority's sewer transmission and treatment facilities. Under the contract, the City is required to pay a portion of the annual cash requirement to operate the facility determined by dividing the actual number of gallons discharged into the system by the City by the total number of gallons discharged by all of the participating cities. Accordingly, the future obligations of the City in connection with the contract cannot be estimated since payment varies in direct relationship to gallons discharged. The City has no ownership interest in the Authority or in conjunction with other participating cities. Total payments made by the City under the contract amounted to $8,272,916 for 2024. The payments are reflected in the accompanying statement of revenues, expenses and changes in net position of the Public Utility Fund.

State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, disallowed costs, if any, would not be material.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the City purchased commercial insurance to cover these general liabilities from the Texas Municipal League Risk Pool ("TML"). The City pays an annual premium to TML for such coverage. TML purchases reinsurance and the City does not retain the risk of losses. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

Other Contingencies

The City is a defendant in several pending lawsuits. City management estimates, based on the advice of legal counsel, that the potential claims against the City, in excess of insurance coverage, would not materially affect the basic financial statements of the City.

12. Joint Ventures

Southwest Regional Communications Center

The City of DeSoto ("the City") entered into an annually renewable Interlocal Cooperation agreement ("the agreement") with the Cities of Cedar Hill and Duncanville (participating cities) on August 10, 1999 and said agreement was amended on December 29, 2011 and December 8, 2015. The cooperative agreement established a Regional Public Safety Dispatch and Alarm Monitoring Facility known as the Southwest Regional Communication Center ("SWRCC"). SWRCC provides police, fire and emergency medical service communications to participating cities. SWRCC's Management Committee is comprised of each of the participating cities' City Manager or their designee. During fiscal year 2016, the cooperative agreement was amended as dated above to direct each participating entity to have all E911 emergency communication fees ("E911 fees") deposited to an account styled as the City of DeSoto SWRCC. The City of DeSoto provides the accounting and budgetary services for the SWRCC. During the fiscal year the City contributed $1,158,000 to the operations of the Center.

The City has a 100% stake in the building owned by the Center, and a one-third share in the equity of the Center's residual equity excluding the building. The City's equity interest in the joint venture as of September 30, 2024, was $608,578 and is reported in the government wide statement of net position.

Regional Animal Control Shelter

The City also entered into an Interlocal Cooperation Agreement with the Cities of Cedar Hill and Duncanville on September 3, 1991 to establish a Regional Animal Control Shelter facility ("the facility"). The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City owns a one-third share of the facility and is reflected in capital assets. During the fiscal year 2024, the City contributed $353,050 to the operations of the facility. The City has a one-third share in the equity of the facility, accounted for in the government wide statement of net position. The value of the City’s share in the equity of the facility as of September 30, 2024, is $604,804. The financial statements of the facility can be obtained by contacting: City of Cedar Hill Finance Department, P. O. Box 96, Cedar Hill, TX 75106-0096.

13. Tax Abatements and Incentive Agreements

The City's Economic Development Incentive Program, authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380, enables the City to provide grants or reimbursements from the City's general fund or economic development corporation. The City will judge each project applying for incentives under the City's Economic Development Program based on 1) the amount of tax revenues the City expects to be generated by the operation of the commercial enterprise, 2) the extent of economic enhancement and stimulation that the City will derive from location and/or operation of the commercial enterprise's business, 3) the number and quality of new employment opportunities which the City expects will result, directly and indirectly, from the operation of the commercial enterprise, and 4) the availability and priority of funding and resources the City currently has to participate in an incentive program.

Businesses that have an Economic Development Incentive agreement with the City are eligible to receive a reimbursement of property and/or sales and use taxes paid for the year if they have met the requirements outlined in the agreement by a certain date each year. Requirements generally include the construction or expansion of certain retail, manufacturing, or warehousing facilities within the City limits, and maintenance of employment levels on an ongoing basis. For the fiscal year ended September 30, 2024, the City rebated $308,775 in sales tax and $1,234,488 in property taxes.

The DeSoto Development Corporation made incentive payments of $979,928 during the fiscal year ended September 30, 2024 to certain businesses in the City.

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REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 36,229,829	$ 36,229,829	$ 35,423,974	$ (805,855)
Sales taxes	10,715,000	10,715,000	11,665,423	950,423
Franchise fees and other	3,762,290	3,762,290	2,827,081	(935,209)
Fines and forfeitures	1,066,000	1,066,000	1,393,400	327,400
Licenses and permits	1,245,000	1,245,000	1,334,268	89,268
Intergovernmental	603,550	596,550	877,128	280,578
Charges for services	1,807,000	1,807,000	3,350,933	1,543,933
Investment earnings	500,000	500,000	2,755,699	2,255,699
Recreation services	313,000	313,000	1,071,250	758,250
Miscellaneous	130,500	136,300	268,248	131,948
Total revenues	56,372,169	56,370,969	60,967,404	4,596,435
EXPENDITURES				
Current:				
General government	6,409,373	6,843,062	4,808,624	2,034,438
Public safety:				
Police	16,097,005	16,397,005	16,209,955	187,050
Fire	11,151,796	11,540,974	12,119,993	(579,019)
Development services	6,239,149	6,142,306	8,768,252	(2,625,946)
Financial services	1,866,110	1,866,110	1,680,037	186,073
Municipal court	928,255	928,255	912,613	15,642
Information technology	1,948,406	1,948,406	2,304,767	(356,361)
Human resources	1,191,826	1,191,826	1,102,012	89,814
Parks and recreation	5,039,529	5,081,529	5,719,735	(638,206)
Library services	1,624,373	1,624,373	1,646,093	(21,720)
Debt service:				
Principal	-	-	397,239	(397,239)
Interest and other	-	-	56,060	(56,060)
Capital outlay	556,997	354,448	2,938,725	(2,584,277)
Total expenditures	53,052,819	53,918,294	58,664,105	(4,745,811)
Excess (deficiency) of revenues over expenditures	3,319,350	2,452,675	2,303,299	149,376
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	2,695,000	2,695,000
Proceeds from sale of capital assets	50,000	50,000	52,290	2,290
Insurance recoveries	85,000	85,000	144,565	59,565
Transfers in	36,300	36,300	2,756,108	2,719,808
Transfers out	(2,693,747)	(4,616,139)	(281,964)	4,334,175
Total other financing sources (uses)	(2,572,447)	(4,494,839)	5,365,999	7,113,548
NET CHANGE IN FUND BALANCE	746,903	(2,042,164)	7,669,298	9,711,462
FUND BALANCE - BEGINNING	41,366,595	41,366,595	41,366,595	-
FUND BALANCE - ENDING	$ 42,113,498	$ 39,324,431	$ 49,035,893	$ 9,711,462

Budgetary Information

The City follows these procedures in establishing its annual budget:

1) Prior to August 1, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1.

2) Public hearing is conducted to obtain taxpayer comments.

3) The budget is legally enacted by the City Council through passage of an ordinance prior to October 1.

4) Any revisions that alter the total budgeted expenditures of the Enterprise or Governmental Funds must be approved by the City Council.

5) Formal budgetary integration is employed as a management control device during the year for the General Fund.

6) Unused appropriations lapse at fiscal year-end and may not be carried over to the following fiscal year.

7) The City Manager is authorized to adjust budget amounts; however, such revisions may not result in total budgeted expenditures (appropriations) in excess of budgeted revenues at the fund level without the approval of City Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the Fund level.

8) During the year, there was no need for any significant amendments to increase the original estimated revenues. However, there was a need to make an amendment to original budgeted appropriations for the capital outlay function to accommodate encumbered construction funds.

9) Budgetary schedules are presented for all funds with legally adopted budgets. The ARPA Grant Fund, Grant Fund, Homeland Security Grant Fund, Public Improvement District Fund, and TIRZ Fund do not have legally adopted budgets and accordingly budget information is not presented for these funds.

Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in the following funds:
General Fund - $4,745,811
Debt Service Fund - $119,285
Housing Finance Corporation Fund - $785

These overages were funded with excess revenues or existing fund balance.

CITY OF DESOTO, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

Plan Year	2023	2022	2021	2020
Total pension liability				
Service cost	$ 5,535,351	$ 4,668,673	$ 4,439,329	$ 4,175,333
Interest on total pension liability	10,415,137	9,771,956	9,218,083	8,650,618
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	2,610,001	947,649	373,308	1,211,242
Change of assumptions	(693,017)	-	-	-
Benefit payments/refunds of contributions	(6,571,045)	(6,014,972)	(5,864,749)	(5,659,866)
Net change in total pension liability	11,296,427	9,373,306	8,165,971	8,377,327
Total pension liability, beginning	154,816,176	145,442,870	137,276,899	128,899,572
Total pension liability, ending (a)	$ 166,112,603	$ 154,816,176	$ 145,442,870	$ 137,276,899
Plan fiduciary net position				
Contributions - employer	$ 3,702,832	$ 3,219,386	$ 3,038,486	$ 2,804,035
Contributions - employee	2,387,397	2,024,827	1,922,977	1,794,385
Net investment income	16,085,659	(11,004,694)	17,502,900	9,549,774
Benefit payments/refunds of contributions	(6,571,045)	(6,014,972)	(5,864,749)	(5,659,866)
Administrative expenses	(102,375)	(95,253)	(80,995)	(61,815)
Other	(715)	113,665	554	(2,412)
Net change in fiduciary net position	15,501,753	(11,757,041)	16,519,173	8,424,101
Fiduciary net position, beginning	139,038,894	150,795,935	134,276,762	125,852,661
Fiduciary net position, ending (b)	$ 154,540,647	$ 139,038,894	$ 150,795,935	$ 134,276,762
Net pension liability/(asset) = (a)-(b)	11,571,956	15,777,282	(5,353,065)	3,000,137
Fiduciary net position as a percentage of total pension liability	93.03%	89.81%	103.68%	97.81%
Covered payroll	34,105,675	28,926,345	27,424,737	25,612,477
Net pension liability/(asset) as a percentage of covered payroll	33.93%	54.54%	(19.52)%	11.71%

Other Information:
For the 2015 valuation, inflation used was 2.5%, investment rate of return and discount rate used was 6.75% and actuarial studies were updated through December 31, 2014.

For the 2019 valuation, actuarial studies were updated through December 31, 2018.

For the 2023 valuation, actuarial studies were updated through December 31, 2022.

2019	2018	2017	2016	2015	2014
$ 3,938,051	$ 3,696,781	$ 3,635,681	$ 3,465,471	$ 3,177,007	$ 2,763,679
8,150,857	7,824,071	7,474,629	7,110,831	6,960,684	6,674,548
-	-	-	-		(4,591,077)
555,198	(987,632)	(366,786)	(292,389)	(1,294,146)	(710,026)
346,322	-	-	-	1,862,527	-
(5,750,524)	(5,874,410)	(5,327,389)	(4,624,192)	(5,261,823)	(4,432,593)
7,239,904	4,658,810	5,416,135	5,659,721	5,444,249	(295,469)
121,659,668	117,000,858	111,584,723	105,925,002	100,480,753	100,776,222
$ 128,899,572	$ 121,659,668	$ 117,000,858	$ 111,584,723	$ 105,925,002	$ 100,480,753
$ 2,632,593	$ 2,542,237	$ 2,483,717	$ 2,198,752	$ 2,208,445	$ 2,324,637
1,686,016	1,584,658	1,553,710	1,482,781	1,420,874	1,388,154
17,052,625	(3,462,817)	14,239,492	6,568,321	145,745	5,386,759
(5,750,524)	(5,874,655)	(5,327,389)	(4,624,192)	(5,261,823)	(4,432,593)
(96,380)	(66,931)	(73,795)	(74,183)	(88,773)	(56,242)
(2,895)	(3,498)	(3,740)	(3,997)	(4,385)	(4,624)
15,521,435	(5,281,006)	12,871,995	5,547,482	(1,579,917)	4,606,091
110,331,226	115,612,232	102,740,237	97,192,755	98,772,672	94,166,581
$ 125,852,661	$ 110,331,226	$ 115,612,232	$ 102,740,237	$ 97,192,755	$ 98,772,672
3,046,911	11,328,442	1,388,626	8,844,486	8,732,247	1,708,081
97.64%	90.69%	98.81%	92.07%	91.76%	98.30%
24,085,941	22,637,970	22,195,857	21,182,583	20,248,609	19,817,910
11.71%	50.04%	6.26%	41.75%	43.13%	8.62%

CITY OF DESOTO, TEXAS

SCHEDULE OF CITY CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

Fiscal Year	2024	2023	2022	2021
Actuarially determined contribution	$ 3,968,382	$ 3,528,626	$ 3,233,955	$ 2,892,746
Contributions in relation to the actuarially determined contribution	3,968,382	3,528,626	3,233,955	2,892,746
Contribution deficiency (excess)	-	-	-	-
Covered payroll	$ 35,433,282	$ 32,360,326	$ 29,108,321	$ 26,230,874
Contributions as a percentage of covered payroll	11.20%	10.90%	11.10%	11.00%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	22 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	There were no benefit changes during the year.

2020	2019	2018	2017	2016	2015
$ 2,656,236	$ 2,542,237	$ 2,547,550	$ 2,402,016	$ 2,278,194	$ 2,245,773
2,656,236	2,542,237	2,547,550	2,402,016	2,278,194	2,245,773
-	-	-	-	-	-
$ 24,362,584	$ 23,845,895	$ 22,704,936	$ 21,840,500	$ 21,674,821	$ 20,202,038
10.90%	10.70%	11.20%	11.00%	10.50%	11.10%

CITY OF DESOTO, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

Plan Year	2023	2022	2021	2020
Total OPEB liability				
Service cost	$ 47,748	$ 80,993	$ 76,919	$ 64,039
Interest on total OPEB liability	44,252	29,909	30,616	34,779
Difference between expected and acutal experience	(9,392)	(33,418)	(35,278)	(26,082)
Changes in assumptions	61,191	(557,333)	51,423	207,152
Benefit payments	(40,927)	(31,819)	(30,218)	(10,246)
Net change in total OPEB liability	102,872	(511,668)	93,462	269,642
Total OPEB liability, beginning	1,089,220	1,600,888	1,507,426	1,237,784
Total OPEB liability, ending (a)	$ 1,192,092	$ 1,089,220	$ 1,600,888	$ 1,507,426
Covered-employee payroll	$ 34,105,675	$ 28,926,345	$ 27,424,737	$ 25,612,477
Total OPEB liability as a percentage of covered-employee payroll	3.50%	3.77%	5.84%	5.89%

Notes to Schedule:
Changes of benefit terms: None

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%
2023	3.77%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's measurement date (December 31).

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

CITY OF DESOTO, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

2019	2018	2017
$ 50,580	$ 49,804	$ 44,392
36,682	33,400	32,369
(11,795)	(23,044)	-
203,697	(72,685)	80,007
(9,634)	(6,791)	(6,659)
269,530	(19,316)	150,109
968,254	987,570	837,461
$ 1,237,784	$ 968,254	$ 987,570
$ 24,085,941	$ 22,637,970	$ 22,704,936
5.14%	4.28%	4.35%

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NONMAJOR GOVERNMENTAL FUNDS

The Special Revenue Funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Regional Jail – To account for restricted revenues and expenditures of the regional jail operation utilized by the cities of DeSoto, Lancaster, Cedar Hill, Duncanville, and Glenn Heights. The facilities house arrested persons for a maximum of 72 hours.

Municipal Court Fund – To account for municipal court fees collected through the court to provide for various municipal court security features or to enhance existing operations through technology.

Police-Seized Assets Fund – Accounts for the revenue and expenditures related to the award of monies or property by the courts or federal government to the police department. The funds are expended for specified police department purposes.

Police Grants Fund - To account for grant funding received to support police operations.

Homeland Security Grant Fund – To account for grant funding received for homeland security purposes.

Hotel Occupancy Tax Fund – To account for tax revenue collected as a percentage of gross receipts for all hotel and motel temporary room rentals within the City. The funds are expended to promote tourism and culture in the City.

Health Facilities Development Corporation – Blended component unit whose purpose is to assist with the development of health care facilities for the maintenance of the public health in the City.

Housing Finance Corporation – Blended component unit whose purpose is to assist with the financing of residential developments in the City.

Industrial Development Authority, Inc. – Blended component unit whose purpose is to promote and develop commercial, industrial, manufacturing and medical research enterprises in the City.

Community Development Block Grant – To account for federal awards from the U.S. Department of Housing and Urban Development for community development.

Public Improvement District Fund – To account for the levy of special assessments and expenditures for improvements within the Danieldale Homestead PID.

Grant Fund – accounts for grant funds awarded to the City and the related expenditures.

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Parks Capital Improvement Fund – To account for the purchase and improvement of the City's parks. Financing is provided by general obligation bonds and contributions from developers.

Fire Station Bond Project Fund – These funds account for the constructing, improving and equipping fire-fighting facilities and equipping park and recreation facilities within the City. General obligation bonds provide the financing.

Public Facilities Capital Improvement Fund – This fund accounts account for the construction and improvement of various City facilities. Financing is provided by general obligation bonds, certificates of obligation and various contributions.

City Improvement Fund – These funds will assist with future economic growth and improvement projects in the City.

TIRZ Fund – This fund is used to account for resources used to finance costs associated with the Tax Increment Reinvestment Zone created to promote growth of the City.

CITY OF DESOTO, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue		
	Regional Jail	Municipal Court	Police Seized Assets
ASSETS			
Cash and investments	$ 644,386	$ 314,912	$ 1,659,654
Receivables, net:			
Taxes	-	-	-
Accounts and other	-	-	-
Due from other governments	31,250	-	-
Due from other funds	-	-	-
Prepaid items	-	-	3,003
Total assets	675,636	314,912	1,662,657
LIABILITIES			
Accounts payable	2,819	20	4,516
Accrued liabilities	18,092	111	-
Due to other funds	-	-	-
Unearned revenue	-	-	6,025
Total liabilities	20,911	131	10,541
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable for:			
Prepaid items	-	-	3,003
Restricted for:			
Public safety	654,725	314,781	1,649,113
Economic development	-	-	-
Capital projects	-	-	-
Committed for:			
Public health	-	-	-
Development activities	-	-	-
Assigned for:			
Capital projects	-	-	-
Total fund balances	654,725	314,781	1,652,116
Total liabilities and fund balances	$ 675,636	$ 314,912	$ 1,662,657

Special Revenue						
Police Grants	Homeland Security Grant	Hotel Occupancy Tax	Health Facilities Development Corporation	Housing Finance Corporation	Industrial Development Authority	Community Development Block Grant
$ 43,357	$ 71,129	$ 6,319,791	$ 20,790	$ 4,675	$ 32,992	$ 6,079
-	-	115,843	-	-	-	-
17,045	-	14,876	-	-	-	171,238
-	-	-	-	-	-	-
-	-	-	-	57,455	-	-
-	-	-	-	-	-	-
60,402	71,129	6,450,510	20,790	62,130	32,992	177,317
1,406	-	148,399	-	-	-	55,493
111	-	-	-	-	-	-
-	-	-	-	1,935	-	33,889
-	-	100	-	-	-	-
1,517	-	148,499	-	1,935	-	89,382
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
58,885	-	-	-	-	-	-
-	-	6,302,011	-	-	-	-
-	-	-	-	-	-	-
-	71,129	-	20,790	-	-	-
-	-	-	-	60,195	32,992	87,935
-	-	-	-	-	-	-
58,885	71,129	6,302,011	20,790	60,195	32,992	87,935
$ 60,402	$ 71,129	$ 6,450,510	$ 20,790	$ 62,130	$ 32,992	$ 177,317

CITY OF DESOTO, TEXAS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue		Capital Projects
	Public Improvement District	Grant Fund	Parks Capital Improvement
ASSETS			
Cash and investments	$ 123,641	$ -	$ 681
Receivables, net:			
Taxes	-	-	-
Accounts and other	85,250	594,456	-
Due from other governments	-	536,376	-
Due from other funds	-	-	-
Prepaid items	-	-	-
Total assets	208,891	1,130,832	681
LIABILITIES			
Accounts payable	-	65,635	-
Accrued liabilities	-	3,547	-
Due to other funds	4,813	721,715	-
Unearned revenue	-	-	-
Total liabilities	4,813	790,897	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	21,952	-	-
Total deferred inflows of resources	21,952	-	-
FUND BALANCES			
Nonspendable for:			
Prepaid items	-	-	-
Restricted for:			
Public safety	-	339,935	-
Economic development	-	-	-
Capital projects	182,126	-	681
Committed for:			
Public health	-	-	-
Development activities	-	-	-
Assigned for:			
Capital projects	-	-	-
Total fund balances	182,126	339,935	681
Total liabilities and fund balances	$ 208,891	$ 1,130,832	$ 681

Capital Projects				
Public Facilities Capital Improvement	Fire Station Bond Project	City Improvement	TIRZ	Total Nonmajor Governmental Funds
$ 8,336,759	$ 288,645	$ 4,324,718	$ 131,068	$ 22,323,277
-	-	-	-	115,843
-	-	-	-	882,865
-	-	-	-	567,626
-	-	-	-	57,455
-	-	-	-	3,003
8,336,759	288,645	4,324,718	131,068	23,950,069
-	-	-	-	278,288
-	-	-	21,703	43,564
-	-	-	-	762,352
-	-	-	-	6,125
-	-	-	21,703	1,090,329
-	-	-	-	21,952
-	-	-	-	21,952
-	-	-	-	3,003
-	-	-	-	3,017,439
-	-	-	-	6,302,011
8,336,759	288,645	-	109,365	8,917,576
-	-	-	-	91,919
-	-	-	-	181,122
-	-	4,324,718	-	4,324,718
8,336,759	288,645	4,324,718	109,365	22,837,788
$ 8,336,759	$ 288,645	$ 4,324,718	$ 131,068	$ 23,950,069

CITY OF DESOTO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue			
	Regional Jail	Municipal Court	Police Seized Assets	Police Grants
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Hotel occupancy tax	-	-	-	-
Property assessments	-	-	-	-
Fines and forfeitures	-	75,665	-	-
Intergovernmental	1,606,250	-	1,504,074	64,814
Charges for services	27,912	-	-	-
Investment earnings	24,943	12,407	53,526	2,432
Miscellaneous	403	-	25,400	-
Total revenues	1,659,508	88,072	1,583,000	67,246
EXPENDITURES				
Current:				
General government	6,962	-	-	-
Public safety:				
Police	1,636,469	-	92,407	66,264
Development services	-	-	-	-
Municipal court	-	77,462	-	-
Capital outlay	-	-	-	-
Total expenditures	1,643,431	77,462	92,407	66,264
Excess (deficiency) of revenues over expenditures	16,077	10,610	1,490,593	982
OTHER FINANCING SOURCES (USES)				
Transfers in	-	50,000	-	-
Transfers out	(15,000)	(10,000)	-	-
Total other financing sources (uses)	(15,000)	40,000	-	-
NET CHANGE IN FUND BALANCES	1,077	50,610	1,490,593	982
FUND BALANCES - BEGINNING	653,648	264,171	161,523	57,903
FUND BALANCES - ENDING	$ 654,725	$ 314,781	$ 1,652,116	$ 58,885

Special Revenue					
Homeland Security Grant	Hotel Occupancy Tax	Health Facilities Development Corporation	Housing Finance Corporation	Industrial Development Authority	Community Development Block Grant
$ -	$ -	$ -	$ -	$ -	$ -
-	1,346,468	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	422,528
-	-	-	-	-	-
2,776	126,131	799	-	1,305	1,625
-	-	-	-	-	-
2,776	1,472,599	799	-	1,305	424,153
-	570,534	-	20,785	-	-
-	-	-	-	-	-
-	-	-	-	-	335,122
-	-	-	-	-	-
-	-	-	-	-	81,858
-	570,534	-	20,785	-	416,980
2,776	902,065	799	(20,785)	1,305	7,173
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,776	902,065	799	(20,785)	1,305	7,173
68,353	5,399,946	19,991	80,980	31,687	80,762
$ 71,129	$ 6,302,011	$ 20,790	$ 60,195	$ 32,992	$ 87,935

CITY OF DESOTO, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue		Capital Projects	
	Public Improvement District	Grant Fund	Parks Capital Improvement	Public Facilities Capital Improvement
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Hotel occupancy tax	-	-	-	-
Property assessments	453,310	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	769,185	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	23	272,486
Miscellaneous	-	-	-	-
Total revenues	453,310	769,185	23	272,486
EXPENDITURES				
Current:				
General government	461,255	-	-	-
Public safety:				
Police	-	494,306	-	-
Development services	-	-	-	-
Municipal court	-	-	-	-
Capital outlay	-	-	-	9,500
Total expenditures	461,255	494,306	-	9,500
Excess (deficiency) of revenues over expenditures	(7,945)	274,879	23	262,986
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(7,945)	274,879	23	262,986
FUND BALANCES - BEGINNING	190,071	65,056	658	8,073,773
FUND BALANCES - ENDING	$ 182,126	$ 339,935	$ 681	$ 8,336,759

Capital Projects			
Fire Station Bond Project	City Improvement	TIRZ	Total
$ -	$ -	$ 82,655	$ 82,655
-	-	-	1,346,468
-	-	-	453,310
-	-	-	75,665
-	-	-	4,366,851
-	-	-	27,912
95,048	92,250	6,216	691,967
-	-	-	25,803
95,048	92,250	88,871	7,070,631
-	-	21,942	1,081,478
-	-	-	2,289,446
-	-	-	335,122
-	-	-	77,462
-	-	-	91,358
-	-	21,942	3,874,866
95,048	92,250	66,929	3,195,765
-	-	-	50,000
-	-	-	(25,000)
-	-	-	25,000
95,048	92,250	66,929	3,220,765
193,597	4,232,468	42,436	19,617,023
$ 288,645	$ 4,324,718	$ 109,365	$ 22,837,788

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 12,837,490	$ 12,837,490	$ 12,578,213	$ (259,277)
Intergovernmental	358,407	358,407	70,275	(288,132)
Investment earnings	100,000	100,000	307,701	207,701
Miscellaneous	-	-	1,488	1,488
Total revenue	13,295,897	13,295,897	12,957,677	(338,220)
EXPENDITURES				
Debt service:				
Principal	9,508,376	9,508,376	9,499,903	8,473
Interest and other	2,706,838	2,706,838	2,834,596	(127,758)
Total expenditures	12,215,214	12,215,214	12,334,499	(119,285)
Excess (deficiency) of revenues over expenditures	1,080,683	1,080,683	623,178	(457,505)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,231,964	1,231,964	231,964	(1,000,000)
Transfers out	(26,300)	(26,300)	(26,300)	-
Total other financing sources (uses)	1,231,964	1,231,964	205,664	(1,000,000)
NET CHANGE IN FUND BALANCE	2,312,647	2,312,647	828,842	(1,457,505)
FUND BALANCE - BEGINNING	4,382,942	4,382,942	4,382,942	-
FUND BALANCE - ENDING	$ 6,695,589	$ 6,695,589	$ 5,211,784	$ (1,457,505)

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
REGIONAL JAIL FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 1,575,000	$ 1,575,000	$ 1,606,250	$ 31,250
Charges for services	28,800	28,800	27,912	(888)
Investment earnings	7,500	7,500	24,943	17,443
Miscellaneous	600	600	403	(197)
Total revenues	1,611,900	1,611,900	1,659,508	47,608
EXPENDITURES				
Current:				
Public safety:				
Police	1,685,624	1,685,624	1,643,431	42,193
Total expenditures	1,685,624	1,685,624	1,643,431	42,193
Excess (deficiency) of revenues over expenditures	(73,724)	(73,724)	16,077	89,801
OTHER FINANCING SOURCES (USES)				
Transfers out	(215,000)	(215,000)	(15,000)	(200,000)
Total other financing sources (uses)	(215,000)	(215,000)	(15,000)	(200,000)
NET CHANGE IN FUND BALANCE	(288,724)	(288,724)	1,077	(110,199)
FUND BALANCE - BEGINNING	653,648	653,648	653,648	-
FUND BALANCE - ENDING	$ 364,924	$ 364,924	$ 654,725	$ (110,199)

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MUNICIPAL COURT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	$ 40,500	$ 40,500	$ 75,665	$ 35,165
Investment earnings	400	400	12,407	12,007
Total revenues	40,900	40,900	88,072	47,172
EXPENDITURES				
Current:				
Public safety-police:				
Municipal court	112,302	112,302	77,462	34,840
Total expenditures	112,302	112,302	77,462	34,840
Excess (deficiency) of revenues over expenditures	(71,402)	(71,402)	10,610	82,012
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Transfers out	10,000	10,000	(10,000)	(20,000)
Total other financing sources (uses)	60,000	60,000	40,000	(20,000)
NET CHANGE IN FUND BALANCE	(11,402)	(11,402)	50,610	62,012
FUND BALANCE - BEGINNING	264,171	264,171	264,171	-
FUND BALANCE - ENDING	$ 252,769	$ 252,769	$ 314,781	$ 62,012

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
POLICE SEIZED ASSETS FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 59,000	$ 59,000	$ 1,504,074	$ 1,445,074
Investment earnings	350	350	53,526	53,176
Miscellaneous	-	-	25,400	25,400
Total revenues	59,350	59,350	1,583,000	1,523,650
EXPENDITURES				
Current:				
Public safety:				
Police	91,200	146,200	92,407	53,793
Total expenditures	91,200	146,200	92,407	53,793
NET CHANGE IN FUND BALANCE	(31,850)	(86,850)	1,490,593	(1,577,443)
FUND BALANCE - BEGINNING	161,523	161,523	161,523	-
FUND BALANCE - ENDING	$ 129,673	$ 74,673	$ 1,652,116	$ 1,577,443

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
POLICE GRANTS FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 9,688	$ 99,988	$ 64,814	$ (35,174)
Investment earnings	-	-	2,432	2,432
Total revenues	9,688	99,988	67,246	(35,174)
EXPENDITURES				
Current:				
Public safety:				
Police	9,689	99,989	66,264	33,725
Total expenditures	9,689	99,989	66,264	33,725
Excess (deficiency) of revenues over expenditures	(1)	(1)	982	983
NET CHANGE IN FUND BALANCE	(1)	(1)	982	(68,899)
FUND BALANCE - BEGINNING	57,903	57,903	57,903	-
FUND BALANCE - ENDING	$ 57,902	$ 57,902	$ 58,885	$ (68,899)

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HEALTH FACILITIES DEVELOPMENT CORPORATION FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 799	$ 799
Total revenues	-	-	799	799
NET CHANGE IN FUND BALANCE	-	-	799	799
FUND BALANCE - BEGINNING	19,991	19,991	19,991	-
FUND BALANCE - ENDING	$ 19,991	$ 19,991	$ 20,790	$ 799

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HOTEL OCCUPANCY TAX FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Hotel occupancy tax	$ 1,300,000	$ 1,300,000	$ 1,346,468	$ 46,468
Investment earnings	100,000	100,000	126,131	26,131
Total revenues	1,400,000	1,400,000	1,472,599	72,599
EXPENDITURES				
Current:				
General government	1,528,775	1,528,775	570,534	958,241
Capital outlay	3,000,000	3,000,000	-	3,000,000
Total expenditures	4,528,775	4,528,775	570,534	3,958,241
NET CHANGE IN FUND BALANCE	(3,128,775)	(3,128,775)	902,065	4,030,840
FUND BALANCE - BEGINNING	5,399,946	5,399,946	5,399,946	-
FUND BALANCE - ENDING	$ 2,271,171	$ 2,271,171	$ 6,302,011	$ 4,030,840

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
HOUSING FINANCE CORPORATION FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
EXPENDITURES				
Current:				
General government	20,000	20,000	20,785	(785)
Total expenditures	20,000	20,000	20,785	(785)
NET CHANGE IN FUND BALANCE	(20,000)	(20,000)	(20,785)	785
FUND BALANCE - BEGINNING	80,980	80,980	80,980	-
FUND BALANCE - ENDING	$ 60,980	$ 60,980	$ 60,195	$ 785

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
INDUSTRIAL DEVELOPMENT AUTHORITY FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 1,305	$ 1,305
Total revenues	-	-	1,305	1,305
NET CHANGE IN FUND BALANCE	-	-	1,305	1,305
FUND BALANCE - BEGINNING	31,687	31,687	31,687	-
FUND BALANCE - ENDING	$ 31,687	$ 31,687	$ 32,992	$ 1,305

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 293,364	$ 293,364	$ 422,528	$ 129,164
Investment earnings	-	-	1,625	1,625
Total revenues	293,364	293,364	424,153	130,789
EXPENDITURES				
Current:				
Development services	244,364	341,409	335,122	6,287
Capital outlay	50,000	376,668	81,858	294,810
Total expenditures	294,364	718,077	416,980	301,097
NET CHANGE IN FUND BALANCE	(1,000)	(424,713)	7,173	431,886
FUND BALANCE - BEGINNING	80,762	80,762	80,762	-
FUND BALANCE - ENDING	$ 79,762	$ (343,951)	$ 87,935	$ 431,886

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PARKS CAPITAL IMPROVEMENT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 286,310	$ 286,310
Miscellaneous	-	-	-	-
Total revenues	-	-	286,310	286,310
EXPENDITURES				
Current:				
Parks and recreation	-	-	162,596	(162,596)
Debt service:				
Interest and other	-	-	227,813	(227,813)
Capital outlay	23,500,000	31,126,103	6,085,220	25,040,883
Total expenditures	23,500,000	31,126,103	6,475,629	24,650,474
Excess (deficiency) of revenues over expenditures	(23,500,000)	(31,126,103)	(6,189,319)	24,936,784
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	23,500,000	23,500,000	25,458,300	1,958,300
Premium on issuance of debt	-	-	1,771,310	1,771,310
Total other financing sources (uses)	23,500,000	23,500,000	27,229,610	3,729,610
NET CHANGE IN FUND BALANCE	-	(7,626,103)	21,040,291	28,666,394
FUND BALANCE - BEGINNING	4,773,282	4,773,282	4,773,282	-
FUND BALANCE - ENDING	$ 4,773,282	$(2,852,821)	$ 25,813,573	$ 28,666,394

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
STREET IMPROVEMENT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ 20,000	$ 20,000	$ 1,247,767	$ 1,227,767
Impact fees	-	-	744,953	744,953
Miscellaneous	-	-	985	985
Total revenues	20,000	20,000	1,993,705	1,973,705
EXPENDITURES				
Current:				
Development services	-	-	26,106	(26,106)
Debt service:				
Interest and other	-	-	121,576	(121,576)
Capital outlay	14,850,000	32,767,951	2,571,908	30,196,043
Total expenditures	14,850,000	32,767,951	2,719,590	30,048,361
Excess (deficiency) of revenues over expenditures	(14,830,000)	(32,747,951)	(725,885)	32,022,066
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debbt	8,700,000	8,700,000	12,962,700	4,262,700
Premium on issuance of debt	-	-	852,853	852,853
Total other financing sources (uses)	8,700,000	8,700,000	13,815,553	5,115,553
NET CHANGE IN FUND BALANCE	(6,130,000)	(24,047,951)	13,089,668	37,137,619
FUND BALANCE - BEGINNING	21,679,512	21,679,512	21,679,512	-
FUND BALANCE - ENDING	$ 15,549,512	$ (2,368,439)	$ 34,769,180	$ 37,137,619

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PUBLIC FACILITIES CAPITAL IMPROVEMENT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ 75,000	$ 75,000	$ 272,486	$ 197,486
Total revenues	75,000	75,000	272,486	197,486
EXPENDITURES				
Capital outlay	1,450,000	6,418,326	9,500	6,408,826
Total expenditures	1,450,000	6,418,326	9,500	6,408,826
NET CHANGE IN FUND BALANCE	(1,375,000)	(6,343,326)	262,986	6,606,312
FUND BALANCE - BEGINNING	8,073,773	8,073,773	8,073,773	-
FUND BALANCE - ENDING	$ 6,698,773	$ 1,730,447	$ 8,336,759	$ 6,606,312

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FIRE STATION BOND PROJECT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 95,048	$ 95,048
Total revenues	-	-	95,048	95,048
NET CHANGE IN FUND BALANCE	-	-	95,048	95,048
FUND BALANCE - BEGINNING	193,597	193,597	193,597	-
FUND BALANCE - ENDING	$ 193,597	$ 193,597	$ 288,645	$ 95,048

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PARK IMPROVEMENT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ -	$ -	$ 23	$ 23
Total revenues	-	-	23	23
NET CHANGE IN FUND BALANCE	-	-	23	23
FUND BALANCE - BEGINNING	658	658	658	-
FUND BALANCE - ENDING	$ 658	$ 658	$ 681	$ 23

CITY OF DESOTO, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CITY IMPROVEMENT FUND
BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget Positive (Negative)
REVENUES				
Investment earnings	$ 100,000	$ 100,000	$ 92,250	$ (7,750)
Total revenues	100,000	100,000	92,250	(7,750)
NET CHANGE IN FUND BALANCE	100,000	100,000	92,250	(7,750)
FUND BALANCE - BEGINNING	4,232,468	4,232,468	4,232,468	-
FUND BALANCE - ENDING	$ 4,332,468	$ 4,332,468	$ 4,324,718	$ (7,750)

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DISCRETELY PRESENTED COMPONENT UNIT
FUND FINANCIAL STATEMENTS

CITY OF DESOTO, TEXAS

BALANCE SHEET - DISCRETELY PRESENTED COMPONENT UNIT

SEPTEMBER 30, 2024

	DeSoto Development Corporation
ASSETS	
Cash and investments	$ 13,209,583
Taxes receivable	600,966
Accounts and other	32,095
Notes receivable	4,089
Due from primary government	70,640
Total assets	13,917,373
LIABILITIES	
Accounts payable	259,351
Accrued liabilities	23,606
Security deposits	20,804
Total liabilities	303,761
FUND BALANCES	
Restricted for:	
Parks and park facilities	2,565,760
Economic development	11,047,852
Total fund balances	13,613,612
Total liabilities, deferred inflows of resources, and fund balances	$ 13,917,373

CITY OF DESOTO, TEXAS

RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	DeSoto Development Corporation
Total Fund Balance - Component Unit	$ 13,613,612
Amounts reported for the component unit in the statement of net position are different because:	
Capital assets are used in the component unit are not current financial resources and therefore are not reported in this fund financial statement. These consist of:	
Land	11,250
Improvements other than buildings, net	1,549,236
Lease asset - building, net	192,602
Some liabilities do not represent current resources or are not due and payable in the current period and are not included in the fund financial statements. These balances consist of:	
Leases	(223,423)
Compensated absences	(25,991)
Net Position of Component Unit	$ 15,117,286

CITY OF DESOTO, TEXAS

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	DeSoto Development Corporation
REVENUES	
Sales tax	$ 3,859,545
Investment earnings	507,770
Rent	368,663
Total revenues	4,735,978
EXPENDITURES	
Current:	
Economic development	2,066,218
Debt service:	
Principal	93,035
Interest and other	10,965
Total expenditures	2,170,218
NET CHANGE IN FUND BALANCE	2,565,760
FUND BALANCE - BEGINNING	11,047,852
FUND BALANCE - ENDING	$ 13,613,612

CITY OF DESOTO, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF DISCRETELY PRESENTED COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	DeSoto Development Corporation
Net Change in Fund Balance - Component Unit	$ 2,565,760
Amounts reported for the component unit in the statement of activities are are different because:	
The component unit reports bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. The component unit fund reports repayment of bond principal as an expenditures. In contrast, the Statement of Net Position shows this as a reduction of long-term liabilities.	
Repayment of principal on lease liabilities	93,035
Component unit funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(275,831)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Depreciation	(201,121)
Compensated absences	3,769
Changes in Net Position of Component Unit	$ 2,185,612

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STATISTICAL SECTION
(Unaudited)

This part of the City of DeSoto's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financal statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	97 - 106
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	108 - 114
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	115 - 120
Demographic and Economic Information This schedule offers deographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	121 - 124
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and activities it performs.	125 - 130

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF DESOTO, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	$ 75,008,168	$ 75,388,877	$ 75,324,298	$ 80,033,283
Restricted	6,848,661	7,145,838	7,114,045	7,593,680
Unrestricted	21,092,761	24,359,405	28,502,199	27,706,164
Total governmental activities net position	$ 102,949,590	$ 106,894,120	$ 110,940,542	$ 115,333,127
Business-type activities				
Net investment in capital assets	$ 52,019,447	$ 52,278,918	$ 48,359,679	$ 48,169,097
Restricted	-	-	-	-
Unrestricted	15,159,256	14,882,299	18,440,994	19,377,215
Total business-type activities net position	$ 67,178,703	$ 67,161,217	$ 66,800,673	$ 67,546,312
Primary government				
Net investment in capital assets	$ 127,099,615	$ 127,667,795	$ 123,683,977	$ 128,202,380
Restricted	6,848,661	7,145,838	7,114,045	7,593,680
Unrestricted	36,252,017	39,241,704	46,943,193	47,083,379
Total primary government net position	$ 170,200,293	$ 174,055,337	$ 177,741,215	$ 182,879,439

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 99,237,824	$ 103,973,012	$ 87,215,789	$ 86,212,053	$ 98,830,387	$ 104,858,032
7,872,714	8,541,615	9,205,940	9,609,542	10,917,325	20,373,644
15,348,727	18,860,369	45,451,902	55,379,115	48,810,513	50,147,932
$ 122,459,265	$ 131,374,996	$ 141,873,631	$ 151,200,710	$ 158,558,225	$ 175,379,608
$ 48,890,037	$ 50,092,001	$ 40,771,402	$ 39,631,250	$ 36,264,869	$ 54,496,790
-	-	-	36,799	697,958	1,799,061
18,250,922	18,730,823	29,549,241	34,939,647	37,911,615	21,925,860
$ 67,140,959	$ 68,822,824	$ 70,320,643	$ 74,607,696	$ 74,874,442	$ 78,221,711
$ 148,127,861	$ 154,065,013	$ 127,987,191	$ 125,843,303	$ 135,095,256	$ 159,354,822
7,872,714	8,541,615	9,205,940	9,646,341	11,615,283	22,172,705
33,599,649	37,591,192	75,001,143	90,318,762	86,722,128	72,073,792
$ 189,600,224	$ 200,197,820	$ 212,194,274	$ 225,808,406	$ 233,432,667	$ 253,601,319

CITY OF DESOTO, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	$ 4,472,030	$ 6,116,384	$ 3,683,213	$ 5,049,294
Public safety	15,633,862	19,523,630	20,858,244	19,970,864
Development services	8,860,259	9,599,031	9,785,883	10,626,406
Financial services	215,738	461,984	547,209	553,589
Municipal court	496,540	574,850	664,332	654,228
Information technology	521,186	767,304	1,032,524	1,183,645
Human resources	253,336	390,706	420,891	543,970
Parks and recreation services	3,623,576	3,994,107	4,402,453	4,374,426
Library services	776,904	1,017,369	1,055,252	1,046,804
Interest and other fees	2,807,023	2,352,141	3,138,147	1,797,897
Total governmental activities expenses	37,660,454	44,797,506	45,588,148	45,801,123
Business-type activities:				
Water and wastewater	16,049,932	17,589,431	19,002,233	19,439,621
Drainage	1,155,389	1,232,946	1,220,638	1,187,471
Sanitation	3,843,039	4,035,409	4,316,881	4,522,062
Total business-type activities expenses	21,048,360	22,857,786	24,539,752	25,149,154
Total primary government expenses	$ 58,708,814	$ 67,655,292	$ 70,127,900	$ 70,950,277
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 452,770	$ 466,958	$ 459,447	$ 454,807
Public safety	4,564,521	4,193,774	4,053,992	3,942,371
Development services	1,319,083	1,268,385	1,407,041	1,395,670
Municipal Court	-	-	-	-
Parks and recreation services	750,124	721,131	698,496	740,252
Library services	44,048	39,301	36,963	36,095
Operating grants and contributions	1,228,969	1,084,583	1,148,587	1,009,861
Capital grants and contributions	1,787	250,000	250,000	150,000
Total governmental activities program revenues	8,361,302	8,024,132	8,054,526	7,729,056
Business-type activities:				
Charges for services:				
Water and wastewater	17,849,524	19,286,512	20,322,951	21,971,318
Drainage	1,501,251	1,530,199	1,545,804	1,552,846
Sanitation	4,003,031	4,111,474	4,259,301	4,345,350
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	23,353,806	24,928,185	26,128,056	27,869,514
Total primary government program revenues	$ 31,715,108	$ 32,952,317	$ 34,182,582	$ 35,598,570

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 4,048,074	$ 4,525,262	$ 6,227,571	$ 8,218,063	$ 5,635,840	$ 7,765,152
21,051,755	22,029,242	22,197,316	22,404,766	29,593,314	31,826,615
9,707,942	10,465,668	10,976,898	12,503,127	15,008,241	15,225,897
1,292,733	1,013,731	1,202,478	1,317,470	2,463,938	1,706,774
778,528	719,132	636,299	722,188	1,439,864	990,075
1,677,972	1,667,007	1,651,885	2,053,549	2,845,173	2,871,578
698,423	738,480	625,500	723,760	962,097	1,102,012
4,717,832	4,483,537	4,438,460	5,835,580	6,366,092	7,039,700
1,348,581	1,306,404	1,269,782	1,243,069	1,515,818	1,680,185
1,805,323	1,600,395	2,063,663	2,119,966	2,082,307	2,569,045
47,127,163	48,548,858	51,289,852	57,141,538	67,912,684	72,777,033
22,201,294	20,549,788	21,336,958	22,148,387	26,381,843	24,990,511
1,269,645	1,262,423	1,109,933	1,051,285	1,222,775	985,578
4,810,022	5,460,931	5,743,939	6,111,226	6,211,535	6,824,633
28,280,961	27,273,142	28,190,830	29,310,898	33,816,153	32,800,722
$ 75,408,124	$ 75,822,000	$ 79,480,682	$ 86,452,436	$ 101,728,837	$ 105,577,755
$ 685,093	$ 529,347	$ 427,529	$ 628,708	$ 339,649	$ 4,746,255
4,304,001	3,931,717	3,394,644	3,962,631	4,003,712	612,187
1,090,269	1,496,317	1,979,590	1,592,808	2,474,003	10,407
-	167,278	96,017	8,827	21,659	1,543,802
885,912	619,574	402,820	661,715	928,157	634,831
34,615	20,369	20,855	18,138	21,220	1,258
1,260,717	2,047,972	3,223,484	4,484,116	3,458,994	5,314,254
-	-	-	-	-	744,953
8,260,607	8,812,574	9,544,939	11,356,943	11,247,394	13,607,947
23,591,911	24,360,415	24,629,050	28,329,229	25,772,757	26,434,496
1,563,225	1,563,672	1,604,123	1,590,033	1,614,364	1,597,626
4,397,161	4,663,367	5,468,707	5,925,913	6,540,069	7,397,543
-	-	-	36,799	858,654	848,814
29,552,297	30,587,454	31,701,880	35,881,974	34,785,844	36,278,479
$ 37,812,904	$ 39,400,028	$ 41,246,819	$ 47,238,917	$ 46,033,238	$ 49,886,426

CITY OF DESOTO, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2015	2016	2017	2018
Program Revenues				
Net (expense) revenue:				
Governmental activities	$ (29,299,152)	$ (36,773,374)	$ (37,533,622)	$ (38,072,067)
Business-type activities	2,305,446	2,070,399	1,588,304	2,720,360
Total primary government net (expense) revenue	$ (26,993,706)	$ (34,702,975)	$ (35,945,318)	$ (35,351,707)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 22,332,142	$ 24,570,117	$ 25,082,533	$ 27,172,987
Special assessments	-	-	-	-
Sales taxes	8,865,087	8,838,202	7,628,513	8,293,142
Franchise and other taxes	3,177,165	3,067,237	3,017,636	3,230,330
Hotel occupancy	840,967	959,888	903,183	1,057,307
Grants not restricted to specific use	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Unrestricted investment earnings	120,644	192,921	302,375	647,466
Miscellaneous	794,451	822,302	2,521,996	713,774
Transfers	2,266,818	2,267,237	2,123,808	2,123,808
Total governmental activities	38,397,274	40,717,904	41,580,044	43,238,814
Business-type activities:				
Interest and investment earnings	99,713	107,352	111,460	207,387
Miscellaneous	-	-	63,500	-
Transfers	(2,266,818)	(2,267,237)	(2,123,808)	(2,123,808)
Total business-type activities	(2,167,105)	(2,159,885)	(1,948,848)	(1,916,421)
Total primary government	36,230,169	38,558,019	39,631,196	41,322,393
Change in Net Position				
Governmental activities	9,098,122	3,944,530	4,046,422	5,166,747
Business-type activities	138,341	(89,486)	(360,544)	803,939
Total primary government	$ 9,236,463	$ 3,855,044	$ 3,685,878	$ 5,970,686

Source: City financial statements

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ (38,866,556)	$ (39,736,284)	$ (41,744,913)	$ (45,784,595)	$ (56,665,290)	$ (59,169,086)
1,271,336	3,314,312	3,511,050	6,571,076	969,691	3,477,757
$ (37,595,220)	$ (36,421,972)	$ (38,233,863)	$ (39,213,519)	$ (55,695,599)	$ (55,691,329)
$ 29,506,876	$ 31,596,309	$ 34,406,476	$ 37,124,923	$ 40,315,883	$ 48,642,710
-	-	-	516,740	495,174	453,310
8,474,803	9,614,011	10,523,359	9,741,103	11,210,780	11,665,423
3,063,055	2,762,423	2,826,229	3,099,314	2,978,370	2,827,081
1,041,614	944,971	1,065,522	1,387,757	1,415,525	1,346,468
-	-	-	-	-	2,390,599
-	-	-	-	-	52,290
950,107	1,023,121	611,253	489,056	4,428,903	5,466,691
832,431	586,382	685,901	269,473	648,362	441,089
2,123,808	2,124,808	2,124,808	2,483,308	2,529,808	2,704,808
45,992,694	48,652,025	52,243,548	55,111,674	64,022,805	75,990,469
447,119	492,361	111,577	199,285	1,807,968	1,844,949
-	-	-	-	18,895	729,371
(2,123,808)	(2,124,808)	(2,124,808)	(2,483,308)	(2,529,808)	(2,704,808)
(1,676,689)	(1,632,447)	(2,013,231)	(2,284,023)	(702,945)	(130,488)
44,316,005	47,019,578	50,230,317	52,827,651	63,319,860	75,859,981
7,126,138	8,915,741	10,498,635	9,327,079	7,357,515	16,821,383
(405,353)	1,681,865	1,497,819	4,287,053	266,746	3,347,269
$ 6,720,785	$ 10,597,606	$ 11,996,454	$ 13,614,132	$ 7,624,261	$ 20,168,652

CITY OF DESOTO, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2015	2016	2017	2018
General fund:				
Nonspendable:				
Inventories	$ 42,754	$ 32,561	$ 39,087	$ 48,487
Prepaid items	-	-	1,000	-
Assigned:				
Future healthcare costs	-	-	-	440,000
Economic development	-	-	-	-
Subsequent year's budget	-	-	-	-
Unassigned	18,868,052	20,923,754	23,655,407	24,369,385
Total General Fund	18,910,806	20,956,315	23,695,494	24,857,872
All Other Governmental Funds:				
Nonspendable:				
Note Receivable	-	438	-	-
Prepaid items	-	-	-	-
Restricted:				
Debt Service	2,829,319	3,194,715	3,641,392	4,031,605
Street Improvements	3,971,537	4,161,565	7,540,075	7,042,971
Public safety	1,275,472	1,038,550	1,040,401	1,194,604
Economic Development	1,339,552	1,628,378	1,426,591	1,526,246
Capital projects	-	-	-	-
Committed:				
Public Health	18,387	18,435	20,076	20,292
Development activities	240,997	226,523	212,297	193,404
Assigned:				
Street Improvements	-	-	-	-
Capital projects	3,860,287	5,867,799	8,799,902	-
Total Other Governmental Funds	13,535,551	16,136,403	22,680,734	14,009,122
Total Fund Balances of Governmental Funds	$ 32,446,357	$ 37,092,718	$ 46,376,228	$ 38,866,994

Source: Balance Sheets - Governmental Funds in City's ACFRs.

2019	2020	2021	2022	2023	2024
$ 55,378	$ 54,518	$ 124,364	$ 143,832	$ 30,177	$ 57,807
-	-	-	-	-	-
440,000	440,000	440,000	440,000	440,000	440,000
-	-	-	1,236,365	-	-
-	1,170,690	873,878	440,401	-	-
27,904,582	31,574,216	39,072,693	38,025,935	40,896,418	48,538,086
28,399,960	33,239,424	40,510,935	40,286,533	41,366,595	49,035,893
-	-	-	-	-	-
-	-	3,003	3,003	3,003	3,003
4,591,081	4,737,443	5,059,896	4,290,145	4,382,942	5,211,784
7,805,773	4,860,992	11,006,470	19,015,199	19,275,350	34,769,180
771,743	905,589	1,063,281	1,358,703	1,040,778	3,017,439
2,022,673	2,415,719	3,108,250	4,138,446	5,558,466	6,302,011
4,513,258	2,336,363	10,165,282	8,404,376	5,921,267	34,991,146
2,617	20,745	20,752	20,849	88,344	91,919
169,762	240,591	153,169	130,559	193,429	181,122
1,987,673	3,010,465	4,244,387	6,841,815	2,404,162	4,324,718
6,031,101	8,204,077	7,452,982	12,696,239	11,667,768	-
27,895,681	26,731,984	42,277,472	56,899,334	50,535,509	88,892,322
$ 56,295,641	$ 59,971,408	$ 82,788,407	$ 97,185,867	$ 91,902,104	$ 137,928,215

CITY OF DESOTO, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2015	2016	2017	2018
Revenues				
Taxes				
Property taxes	$ 22,519,005	$ 23,525,948	$ 25,139,231	$ 27,117,831
Sales taxes	7,721,468	7,434,323	7,671,052	8,334,059
Franchise fees and others	3,138,343	3,023,812	2,975,097	3,189,413
Hotel occupancy	840,967	959,888	903,183	1,057,307
Property assessments	-	-	-	-
Fines and forfeitures	1,651,605	1,425,402	1,381,768	1,516,509
Licenses and permits	1,301,283	1,280,155	1,407,041	1,395,670
Intergovernmental	2,395,890	2,966,622	3,592,705	2,598,124
Charges for services	2,621,251	2,330,713	2,482,584	2,116,107
Investment earnings	120,644	192,921	302,375	647,466
Recreation services	731,396	704,626	683,748	723,686
Impact fees	-	-	-	-
Miscellaneous	327,420	407,518	554,115	577,728
Total Revenues	43,369,272	44,251,928	47,092,899	49,273,900
Expenditures				
Current:				
General government	1,234,143	1,495,396	1,462,675	1,609,394
Public safety	16,873,317	17,471,592	18,371,592	18,281,537
Development services	4,935,865	4,768,473	4,984,007	4,807,031
Financial services	330,494	394,729	455,303	508,146
Municipal court	584,523	553,850	630,332	640,028
Information technology	474,937	621,493	878,203	1,053,838
Human resources	329,166	373,022	392,306	533,957
Parks and recreation	3,130,647	3,205,034	3,463,275	3,490,816
Library services	886,474	1,086,062	1,112,442	1,128,874
Non-departmental	2,922,910	2,473,767	2,533,268	3,887,533
Debt service:				
Principal	4,866,302	5,117,121	12,803,125	5,644,653
Interest and fiscal charges	2,587,579	2,748,066	2,526,036	2,337,157
Capital outlay	2,353,421	4,910,606	5,982,739	7,370,715
Total Expenditures	41,509,778	45,219,211	55,595,303	51,293,679
Excess of revenues over (under) expenditures	1,859,494	(967,283)	(8,502,404)	-
Other Financing Sources (Uses)				
Issuance long-term debt	6,718,947	10,023,977	21,583,025	-
Premium from bond issuance	-	-	-	-
Proceeds from sale of capital asset				
Other sources	500,739	62,847	1,054,486	46,300
Payment to refund escrow agent	-	(6,742,097)	(6,975,233)	-
Transfer in	2,982,684	4,503,599	5,131,533	4,842,955
Transfer out	(715,866)	(2,236,362)	(3,007,725)	(2,719,147)
Net other financing sources (uses)	9,486,504	5,611,964	17,786,086	2,170,108
Net change in fund balances	$ 11,345,998	$ 4,644,681	$ 9,283,682	$ 150,329
Debt service as a percentage of noncapital expenditures	18.7%	18.5%	30.9%	18.2%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds.

2019	2020	2021	2022	2023	2024
$ 29,846,532	$ 31,827,759	$ 34,455,440	$ 36,819,678	$ 40,767,063	$ 48,084,842
8,474,803	9,614,011	10,523,359	9,741,103	11,210,780	11,665,423
3,063,055	2,762,423	2,826,229	3,099,314	2,978,370	2,827,081
985,335	894,320	1,065,522	1,387,757	1,522,455	1,346,468
-	-	500,598	516,740	495,174	453,310
1,299,390	1,097,047	986,587	932,144	910,600	1,469,065
1,090,269	1,496,317	1,443,363	1,540,833	1,245,719	1,334,268
3,007,592	3,543,522	4,778,484	5,754,116	4,704,240	7,704,853
2,478,087	2,386,381	1,790,455	2,572,937	2,492,300	3,378,845
950,107	1,023,121	611,253	489,056	4,428,903	5,466,691
675,259	308,308	393,522	653,383	914,534	1,071,250
-	-	-	62,834	1,231,102	744,953
460,056	586,382	304,351	269,473	648,362	296,524
52,330,485	55,539,591	59,679,163	63,839,368	73,549,602	85,843,573
3,561,331	4,075,592	5,742,889	8,093,360	5,203,684	6,582,315
18,972,443	20,168,011	21,607,172	22,523,923	28,540,166	30,619,394
4,768,678	5,322,335	5,930,499	6,145,910	9,138,242	9,129,480
1,219,243	968,037	1,193,453	1,361,452	1,623,891	1,680,037
716,724	692,443	658,110	765,237	895,349	990,075
1,517,262	1,511,155	1,553,672	1,949,690	2,267,259	2,304,767
667,485	715,869	641,503	758,270	903,224	1,102,012
3,701,599	3,449,045	3,538,819	4,711,683	5,215,789	5,882,331
1,269,195	1,246,043	1,257,768	1,271,686	1,437,844	1,646,093
-	-	-	-	-	-
5,465,847	5,366,709	5,596,051	5,815,564	7,280,334	9,897,142
2,231,028	2,209,350	2,650,197	2,641,656	2,856,893	3,240,045
9,663,995	8,367,123	8,120,293	16,831,910	16,182,716	13,385,597
53,754,830	54,091,712	58,490,426	72,870,341	81,545,391	86,459,288
(1,424,345)	1,447,879	1,188,737	(9,030,973)	(7,995,789)	(615,715)
8,395,000	-	18,065,000	19,118,947	-	41,116,000
618,138	-	3,385,777	1,708,413	-	2,624,163
					52,290
74,483	85,080	254,721	117,765	182,218	144,565
-	-	(2,202,044)	-	-	-
6,339,150	6,314,431	7,142,236	9,857,892	5,975,583	3,038,072
(4,215,342)	(4,189,623)	(5,017,428)	(7,374,584)	(3,445,775)	(333,264)
11,211,429	2,209,888	21,628,262	23,428,433	2,712,026	46,641,826
$ 9,787,084	$ 3,657,767	$ 22,816,999	$ 14,397,460	$ (5,283,763)	$ 46,026,111
17.5%	16.6%	16.4%	15.1%	15.6%	18.0%

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ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

	Real Property			
Fiscal Year	**Real Property Assessed Value**	**Personal Property Assessed Value**	**Total Assessed Value**	**Total Direct Tax rate**
2015	$ 2,510,330,406	$ 507,665,624	$ 3,017,996,030	0.7574
2016	2,682,537,966	447,907,641	3,130,445,607	0.7499
2017	2,998,752,687	535,052,182	3,533,804,869	0.7449
2018	3,315,801,528	568,601,030	3,884,402,558	0.7399
2019	3,653,591,267	403,677,718	4,057,268,985	0.7214
2020	3,946,379,867	751,698,250	4,698,078,117	0.7016
2021	4,025,313,400	783,797,074	4,809,110,474	0.7016
2022	4,848,596,325	589,592,922	5,438,189,247	0.7016
2023	5,295,347,641	799,983,280	6,095,330,921	0.6916
2024	6,038,296,022	964,160,224	7,002,456,246	0.6851

The estimated actual taxable value equals the total taxable assessed value.
All properties are assessed at 100% of actual taxable value.

Source: Dallas County Tax Office

CITY OF DESOTO, TEXAS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 ASSESSED VALUE)
(UNAUDITED)

LAST TEN FISCAL YEARS

Fiscal Year	General Fund	Debt Service Fund	Total	Dallas County & School Equalization	Dallas Parkland Hospital	Dallas County Comm. College
2015	0.53030	0.22710	0.7574	0.25310	0.27600	0.12478
2016	0.52490	0.22500	0.7499	0.25310	0.27600	0.12365
2017	0.53490	0.21000	0.7449	0.25240	0.27900	0.12293
2018	0.54000	0.19990	0.7399	0.25310	0.27900	0.12424
2019	0.55000	0.17139	0.7214	0.25310	0.26950	0.12400
2020	0.55016	0.15139	0.7016	0.24974	0.26661	0.12400
2021	0.55016	0.15139	0.7016	0.23795	0.25500	0.12351
2022	0.55016	0.15139	0.7016	0.22795	0.25500	0.12551
2023	0.54425	0.14731	0.6916	0.22795	0.23580	0.11590
2024	0.50349	0.18161	0.6851	0.21572	0.21950	0.11003

Note: Tax rate is at 100% of market value.

Total City, County, Hospital and College	DeSoto I.S.D.	Total City, County, Hospital, College and DeSoto I.S.D.	Dallas I.S.D.	Total City, County, Hospital, College and Dallas I.S.D.	Duncanville I.S.D.	Total City, County, Hospital College and Duncanville I.S.D.
1.41128	1.47000	2.88128	1.28209	2.69336	1.41000	2.82128
1.40265	1.46000	2.86265	1.28209	2.68474	1.52950	2.93215
1.39923	1.46000	2.85923	1.28209	2.68132	1.52150	2.92073
1.39624	1.49000	2.88624	1.28209	2.67832	1.52150	2.91774
1.36799	1.52800	2.89599	1.31000	2.67799	1.41800	2.78599
1.34190	1.52909	2.87099	1.29674	2.63864	1.36760	2.70950
1.31801	1.38860	2.70661	1.24824	2.56625	1.31590	2.63391
1.31001	1.38860	2.69861	1.24824	2.57223	1.31590	2.63990
1.27121	1.25820	2.52941	1.18494	2.45613	1.25290	2.52410
1.23035	1.07280	2.30315	1.01384	2.24417	1.08280	2.31314

CITY OF DESOTO, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2015	$ 22,604,400	$ 22,311,366	98.70%	$ 189,317
2016	24,105,582	23,827,722	98.85%	145,564
2017	26,041,869	25,775,037	98.98%	81,298
2018	28,054,990	27,759,374	98.95%	149,772
2019	32,973,522	30,316,827	91.94%	144,383
2020	33,759,923	32,945,456	97.59%	145,302
2021	36,290,396	35,772,193	98.57%	139,299
2022	38,180,773	38,097,252	99.78%	98,934
2023	42,183,079	43,324,198	102.71%	-
2024	48,001,070	48,129,252	100.27%	(166,035)

Source: City of DeSoto Joint Tax Office and Dallas County Tax Office
* Includes Year to Date Adjustments to the Levy by the Tax Office

Total Collections to Date	
Amount	**% of Levy**
$ 22,500,683	99.54%
23,973,286	99.45%
25,856,335	99.29%
27,909,146	99.48%
30,461,210	92.38%
33,090,758	98.02%
35,911,492	98.96%
38,196,186	100.04%
43,423,132	102.71%
47,963,217	99.92%

CITY OF DESOTO, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT AND NINE YEARS AGO

	2024				
Taxpayer	Taxable Assessed Valuation (1)	Type of Business	Rank	Percentage of Total Taxable Assessed Valuation	Percentage of Top Ten Taxpayers to Assessed Valuation
Solar Turbines	$ 272,291,887	Manufacturing	1	3.52%	25.13%
Kohler Co	221,026,180	Manufacturing	2	2.86%	20.40%
Kohls Department Store	134,123,170	Distribution	3	1.74%	12.38%
WRH Properties Inc	90,134,120	Apartments	4	1.17%	8.32%
Harvest A Southfield 35 LLC	86,401,670	Manufacturing	5	1.12%	7.98%
HLIT II CTC 3 LP	74,022,000	Manufacturing	6	0.96%	6.83%
Centre Park Industrial LP	64,660,160	Manufacturing	7	0.84%	5.97%
Lowes Home Centers LLC	50,742,140	Retail	8	0.66%	4.68%
Mack DeSoto LLC	45,000,000	Manufacturing	9	0.58%	4.15%
Yes Communities	44,953,090		10	0.58%	4.15%
DeSoto Apartments Ltd	-	Apartments		-	-
Walmart Stores Inc	-	Retail		-	-
Oncor electric Delivery	-	Electric		-	-
US Real Estate LP	-	Real Estate		-	-
Cintas Corporation 2	-	Retail/Uniforms		-	-
Atlas Huntington Ridge LLC	-	Apartments		-	-
MaClay Carlin DeSoto LTD	-	Shopping Center		-	-
Total	$ 1,083,354,417			14.03%	100.01%

Source: (1) Dallas County Appraisal District

2015			
Taxable Assessed Valuation (1)	Rank	Percentage of Total Taxable Assessed Valuation	Percentage of Top Ten Taxpayers to Assessed Valuation
191,844,900	1	6.36%	44.46%
		0.00%	0.00%
42,816,600	2	1.42%	9.92%
32,687,430	4	1.08%	7.57%
		0.00%	0.00%
		0.00%	0.00%
		0.00%	0.00%
25,830,000	5	0.86%	5.99%
33,832,420	3	1.12%	7.84%
24,692,530	6	0.82%	5.72%
22,225,360	8	0.74%	5.99%
23,670,500	7	0.78%	5.49%
18,018,000	9	0.60%	4.18%
15,916,680	10	0.53%	3.69%
$ 431,534,420		14.31%	100.85%

CITY OF DESOTO, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities					
Fiscal Year	**General Obligation Bonds**	**Certificates of Obligation Bonds**	**Premiums**	**Notes Payable**	**Financed Purchases**	**Subscription Liability**
2015	$ 45,502,817	$ 15,900,000	$ 3,685,288	$ -	$ 770,403	$ -
2016	45,500,391	13,730,000	3,887,036	-	635,708	-
2017	49,833,256	8,795,000	5,844,173	-	1,539,718	-
2018	45,466,456	7,735,000	5,361,245	-	1,321,865	-
2019	44,700,000	11,655,000	5,496,463	-	1,097,474	-
2020	39,850,000	11,310,000	4,981,002	-	925,765	-
2021	35,630,000	25,840,000	7,373,353	-	749,678	-
2022	30,255,000	44,698,947	569,114	-	569,833	-
2023	25,195,000	43,058,947	7,562,141	-	383,933	896,739
2024	20,245,000	79,814,947	9,256,111	-	194,030	499,500

Source: Personal income and population data can be found in demographic and economic statistics table.

Business-Type Activities					
General Obligation Bonds	Certificates of Obligation	Premiums	Total Primary Government	Percentage of Personal Income	Per Capita
$ 2,847,183	$ 13,870,000	$ 456,277	$ 83,031,968	5.25%	1,599
2,814,610	12,565,000	454,477	79,587,222	4.98%	1,513
4,811,744	10,305,000	783,267	81,912,158	5.06%	1,542
4,508,544	9,580,000	719,749	74,692,859	4.58%	1,394
4,025,000	13,910,000	1,046,116	81,930,053	4.90%	1,457
3,520,000	13,190,000	962,078	74,738,845	4.33%	1,263
9,300,000	13,145,000	2,883,289	94,921,320	5.80%	1,691
8,355,000	19,931,053	3,343,735	107,722,682	5.64%	1,821
7,420,000	18,981,053	3,070,815	106,568,628	5.73%	1,851
6,355,000	27,650,053	3,448,105	147,462,746	8.00%	2,582

CITY OF DESOTO, TEXAS **TABLE 10**

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Total Bonded Debt (1)	Less Debt Services Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Per Capita
2015	51,934	$ 3,017,996,030	$ 76,585,000	$ 2,820,786	$ 73,764,214	2.44%	1,420
2016	52,586	3,130,445,607	74,610,000	3,194,715	71,415,285	2.28%	1,358
2017	53,128	3,533,804,869	80,372,440	3,641,392	76,731,048	2.17%	1,444
2018	53,568	3,884,402,558	73,370,994	4,031,605	69,339,389	1.79%	1,294
2019	56,224	4,057,268,985	82,688,248	4,581,544	78,106,704	1.93%	1,389
2020	56,145	4,698,078,117	73,881,573	4,730,594	69,150,979	1.47%	1,232
2021	56,145	4,809,110,474	83,915,000	5,116,923	78,798,077	1.64%	1,403
2022	57,565	5,438,189,247	103,240,000	4,575,525	98,664,475	1.81%	1,668
2023	57,583	6,095,330,921	91,579,021	5,733,066	85,845,955	1.41%	1,491
2024	57,102	7,002,456,246	134,065,000	5,211,784	128,853,216	1.84%	2,257

(1) Includes all long-term certificates of obligation and general obligation debt.

CITY OF DESOTO, TEXAS **TABLE 11**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2024

Taxing Jurisdiction	Total Tax Supported Debt (1)	Overlapping Percent Applicable	Overlapping Amount
Overlapping Debt			
DeSoto Independent School District	$ 108,225,000	82.72%	$ 89,523,720
Dallas County	217,675,000	1.68%	3,656,940
Dallas Independent School District	3,794,285,000	0.78%	29,595,423
Dallas County Community College District	375,515,000	1.68%	6,308,652
Dallas County Hospital District	543,495,000	1.68%	9,130,716
Duncanville Independent School District	180,145,000	7.02%	12,646,179
Total Overlapping Debt			150,861,630
City Direct Debt (Governmental Activities)	100,059,947	100.00%	100,059,947
Total Direct and Overlapping Debt			$ 110,009,588
Population			56,500
Ratio of direct and overlapping bonded debt to taxable assessed value			1.57%
Per Capita Debt-Direct and Overlapping Debt			$ 1,927

Source - First Southwest Company

(1) Includes general obligation bonds and certificates of obligation.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Texas City, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt of each overlapping government.

CITY OF DESOTO, TEXAS

COMPUTATION OF LEGAL DEBT MARGIN
(UNAUDITED)

LAST TEN FISCAL YEARS

	2024	2023	2022	2021
Total Assessed Value	$ 7,002,456,246	$ 6,095,330,921	$ 6,095,330,921	$ 4,809,110,474
Debt limit - (10%) of total assessed value	700,245,625	609,533,092	609,533,092	480,911,047
Amount of debt applicable to debt limit:				
Total bonded debt (including special assessment bonds)	134,065,000	91,579,021	98,687,818	103,809,833
Less: assets in debt service funds available for payment of principal	5,211,784	5,733,066	4,575,525	5,116,923
Total amount of debt applicable to debt limit	128,853,216	85,845,955	94,112,293	98,692,910
Legal Debt Margin	$ 571,392,409	$ 523,687,137	$ 515,420,799	$ 382,218,137
Ratio of outstanding net debt to the debt limit	18%	14%	15%	21%

Note: City's Debt Management Policy, Version 4, Section 9.0, adopted by the City Council April 7, 2015.
"The total principal amount of general obligation bonds together with the principal amount of all other outstanding tax indebtedness of the City shall not exceed ten (10) percent of the total assessed valuation of the City's tax rolls."

TABLE 12

2020	2019	2018	2017	2016	2015
$ 4,698,078,117	$ 4,057,268,985	$ 3,884,402,558	$ 3,533,804,869	$ 3,130,445,607	$ 3,017,996,030
469,807,812	405,726,899	388,440,256	353,380,487	313,044,561	301,799,603
73,881,573	82,688,248	73,370,994	80,372,440	74,610,000	76,585,000
4,730,594	4,581,544	4,031,605	3,641,392	3,194,715	2,820,786
69,150,979	78,106,704	69,339,389	76,731,048	71,415,285	73,764,214
$ 400,656,833	$ 327,620,195	$ 319,100,867	$ 276,649,439	$ 241,629,276	$ 228,035,389
15%	19%	18%	22%	23%	24%

CITY OF DESOTO, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS
(UNAUDITED)

LAST TEN FISCAL YEARS

Fiscal Year	Population	Estimated Median Family Household Income (1)	Personal Income* (2)	Per Capita Personal Income*	Median Age
2015	51,934	56,911	1,582,793	30	36.1
2016	52,586	60,945	1,599,616	30	36.1
2017	53,128	66,860	1,619,182	30	37
2018	53,568	64,575	1,632,592	30	36.1
2019	56,224	66,986	1,673,676	30	39.6
2020	59,159	71,496	1,725,668	29	37.09
2021	56,145	71,578	1,637,750	32	38.9
2022	59,159	71,496	1,910,481	32	37.09
2023	57,583	71,124	1,859,585	32	37.09
2024	57,102	81,736	1,844,052	32	41.10

(1) DeSoto Economi Development Corporation (Claritas)
(2) US Census Bureau
(3) DeSoto Independent School District
(4) Bureau of Labor Statistics
* Amounts presented in thousands of dollars

Education level in Years of Schooling	School Enrollment (3)	Unemployment Rate (4)
High School + 2 Years	9,600	4.0%
High School + 2 Years	9,872	3.5%
High School + 2 Years	9,742	4.7%
High School + 2 Years	8,971	5.2%
High School + 2 Years	8,716	4.3%
High School + 2 Years	8,500	4.4%
High School + 2 Years	8,700	4.4%
High School + 2 Years	8,500	8.4%
High School + 2 Years	7,344	4.6%
High School + 2 Years	7,339	5.2%

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PRINCIPAL EMPLOYERS
(UNAUDITED)

CURRENT YEAR AND NINE YEARS AGO

	2024			2015		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
DeSoto ISD	1,004	1	7.35%	924	1	7.70%
Kohl's e-Commerce	800	2	5.85%	500	2	4.17%
City of DeSoto	468	3	3.43%	364	3	3.03%
Solar Turbines	350	4	2.56%	400	5	3.33%
Williamsburg Village	350	5	2.56%	210	8	1.75%
GlasFloss Industries	300	6	2.20%			0.00%
Marten Transport	250	7	1.83%	300	6	2.50%
Wal Mart Distribution	250	8	1.83%	240	7	2.00%
Hickory Trail Hospital	250	9	1.83%			0.00%
Vibra Hospital	168	10	1.23%			0.00%
DW Distribution	150	11	1.10%	124	13	1.03%
Cintas	150	12	1.10%	100	9	0.83%
Park Manor	125	13	0.91%	124	14	1.03%
Kroger	112	14	0.82%	125	12	1.04%
Tom Thumb	100	15	0.73%	150	10	1.25%
The Cedars	-	-	0.00%	100	17	0.83%
DIAB	-	-	0.00%	244	4	2.03%
Albertson's	-	-	0.00%	126	11	1.05%
ZEP Manufacturing	-	-	0.00%	118	15	0.98%
MCM Grande	-	-	0.00%	102	16	0.85%
Total	4,827		35.33%	4,251		35.40%

CITY OF DESOTO, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
(UNAUDITED)

LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of Sept 30:

	2024	2023	2022	2021
Function/Program				
Governmental Activities:				
General Government	16	14	14	10
Public Safety	210	183	201	190
Development Services	36	24	28	21
Parks and Recreation Services	100	22	28	19
Finance	10	10	10	8
Municipal Court*	10	8	8	8
Library	25	15	15	9
Human Resources	7	7	6	5
Information Technology	9	9	9	7
Water & Sewer	35	35	34	34
Drainage	5	5	4	4
Sanitation	8	8	7	5
Total	471	340	364	320
Population	57,102	57,583	57,565	56,145
Staff per 1,000 population	8.25	5.90	6.32	5.70

* Formerly categorized with Financial Services.

Source: City of DeSoto Human Resource Department

2020	2019	2018	2017	2016	2015
13	13	11	11	10	10
193	154	189	205	207	193
23	31	30	32	29	27
19	21	28	26	35	34
8	10	10	9	9	9
7	7	6	7	7	7
10	11	9	8	8	15
5	5	5	5	4	5
7	7	6	5	3	4
34	31	22	26	30	31
4	5	5	5	5	5
5	6	5	5	5	5
328	301	326	344	352	345
59,159	56,224	53,568	53,128	52,586	51,934
5.54	5.32	6.09	6.47	6.69	6.64

CITY OF DESOTO, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
(UNAUDITED)

LAST TEN FISCAL YEARS

Function/Program	2024	2023	2022	2021
General government				
Number of public information requests processed	602	616	587	716
Public safety				
Number of youth outreach programs held	3	3	1	-
Number of senior citizen symposiums held	1	1	1	1
Number of citizen police academics per year	1	1	1	1
Fire code inspections completed	1,122	1,132	1,020	1,020
Development services				
Traffic signal inspections	36	-	36	36
Parks and leisure services				
Total fitness facility memberships	3,899	1,207	14,631	5,338
Total swimming pool attendance	18,252	13,385	8,014	-
Library				
Total children's' story time programs	285	326	105	-
Human resources				
Number of salary surveys completed	57	45	50	51
Finance				
Municipal court cases filed	6,114	7,243	6,388	4,879
Information technology				
Number of City computers replaced annually	63	58	114	91
Water and sewer				
Number of touch read meters changed out	504	399	423	488
Number of meters read monthly	18,500	18,548	17,862	17,800
Drainage				
Number of easements acquired for project construction	-	-	-	-
Sanitation				
Number of existing intersection landscapes renovated annually	24	24	24	24

Source: Information provided by the head of each department

2020	2019	2018	2017	2016	2015
671	618	403	469	503	386
10	10	5	5	5	5
1	1	1	1	1	1
4	4	1	1	1	1
1,053	1,857	1,430	1,477	1,433	389
36	76	36	36	68	68
4,360	4,147	3,215	2,128	4,017	1,139
-	17,591	16,257	18,624	16,699	17,723
88	116	134	55	69	63
40	24	47	51	40	25
6,691	7,747	8,088	9,425	10,101	10,077
95	74	67	94	61	24
1,497	1,497	1,604	1,692	1,740	1,580
17,561	17,561	17,740	17,570	17,387	17,254
-	-	-	6	7	-
23	24	18	6	18	4

CITY OF DESOTO, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
(UNAUDITED)

LAST TEN FISCAL YEARS

Function/Program	2024	2023	2022	2021
Public safety				
Police stations	1	1	1	1
Fire stations	3	3	3	3
Development services				
Lane Miles of streets	579	579	521	495
Miles of alleys	110	110	105	90
Traffic signals	28	28	28	17
Parks and recreation				
Number of parks	19	19	19	19
Civic centers	1	1	1	1
Swimming pools	1	1	1	1
Theater playhouses	1	1	1	1
Library				
Number of libraries	1	1	1	1
Water and sewer				
Water pumping capacity	39.5mg/day	39.5mg/day	39.5mg/day	39.5mg/day
Elevated water storage	5mg.	5mg.	5mg.	5mg.
Ground storage	13mg.	13mg.	13mg.	13mg.

2020	2019	2018	2017	2016	2015
1	1	1	1	1	1
3	3	3	3	3	3
495	495	495	495	495	495
90	90	90	90	90	90
17	17	17	17	17	17
19	19	19	19	19	19
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
39.5mg/day	39.5mg/day	39.5mg/day	39.5mg/day	39.5mg/day	39.5mg/day
5mg.	5mg.	5mg.	5mg.	5mg.	5mg.
13mg.	13mg.	13mg.	13mg.	13mg.	13mg.

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